

This prospectus is not and under no circumstances is to be construed as a public offering of any these securities for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUES

The Sussman Realty Corporation Limited

100,000 COMMON SHARES

(without par value)

and

\$1,000,000

H. B. Sussman Associates Limited

7% SECURED SINKING FUND DEBENTURES SERIES A

accompanied, when originally issued in definitive form, by common share purchase warrants of The Sussman Realty Corporation Limited and convertible into common shares of The Sussman Realty Corporation Limited

To be dated July 15, 1962

to mature July 15, 1967

In Units of a Series A Debenture of H. B. Sussman Associates Limited in the principal amount of \$100, accompanied when originally issued in definitive form by common share purchase warrants of The Sussman Realty Corporation Limited, and 10 Common Shares of The Sussman Realty Corporation Limited.

Principal and half-yearly interest (January 15 and July 15) and redemption premium, if any, on these 7% Secured Sinking Fund Debentures Series A (the "Series A Debentures") will be payable in lawful money of Canada at any branch in Canada (far northern branches excepted) of the bankers of H. B. Sussman Associates Limited ("Sussman Associates") at the holder's option.

The Series A Debentures will be redeemable for other than sinking fund purposes prior to maturity at the option of Sussman Associates, in whole at any time or in part from time to time, on not less than thirty days notice at the principal amount thereof, plus accrued interest to the date specified for redemption plus a premium of 6% of such principal amount to and including July 15, 1963, thereafter such premium to decrease progressively 1.5% on July 16, 1963 and on each succeeding July 16 to and including July 16, 1966, on and after which date the Series A Debentures will be redeemable without premium.

SINKING FUND

Sussman Associates will covenant to establish a sinking fund to provide for the retirement of \$200,000 principal amount of Series A Debentures on July 15 in each of the years 1963 to 1966 inclusive. Further particulars concerning the sinking fund are more fully given herein. The Series A Debentures will be redeemable for sinking fund purposes by lot on thirty days notice at the principal amount thereof plus accrued interest to the date specified for redemption.

CONVERTIBLE FEATURE

Each Series A Debenture will be convertible at the holder's option at any time up to the close of business on the day immediately preceding the maturity date or on the fifth day immediately preceding the date specified for redemption of any such Debenture, whichever is the earlier, into fully paid and non-assessable common shares without par value in the capital of The Sussman Realty Corporation Limited ("Sussman Realty") as presently constituted (without adjustment for interest accrued on such Debenture or for dividends on the common shares of Sussman Realty issuable upon conversion) at a price of \$3.00 per share if such conversion takes place on or before July 15, 1965, at a price of \$4.00 per share if such conversion takes place after July 15, 1965 and on or before July 15, 1966, and at a price of \$5.00 per share if such conversion takes place after July 15, 1966 and on or before July 14, 1967.

Pursuant to the terms of an indenture to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and The Canada Trust Company, the conversion privilege will be adjusted in certain events more fully referred to herein.

SHARE PURCHASE WARRANTS

The Series A Debentures, when originally issued in definitive form, will be accompanied by common share purchase warrants of Sussman Realty entitling the holders thereof to purchase, on or before the close of business on July 15, 1967, common shares without par value in the capital of Sussman Realty at a price of \$2.00 per share, at the rate of 10 such common shares for each \$100 principal amount of such Debentures. The indenture pursuant to which the said common share purchase warrants will be issued will contain provisions for adjustment of the right of purchase conferred thereby in certain events more fully referred to herein.

Trustee for Series A Debentures:
The Canada Trust Company, Toronto and Montreal

Transfer Agent and Registrar for the Common Shares:
Guaranty Trust Company of Canada, Toronto and Montreal

We, as principals, offer these Series A Debentures, accompanied, when originally issued in definitive form, by common share purchase warrants of Sussman Realty, and Common Shares in Units of a Series A Debenture in the principal amount of \$100 and 10 Common Shares, subject to prior sale and change in price if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of Sussman Associates and Sussman Realty by Messrs. Goodman & Goodman, Toronto, and on our behalf by Messrs. McCarthy & McCarthy, Toronto.

Price: \$105.50 per Unit

and accrued interest on the Series A Debenture

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Series A Debentures in interim form (exchangeable for Series A Debentures in definitive form, accompanied by common share purchase warrants of Sussman Realty, when available on or about December 31, 1962) and interim share certificates representing the Common Shares of Sussman Realty will be available for delivery on or about August 28, 1962.

ANNETT & COMPANY LIMITED

220 Bay Street

Toronto 1, Canada

Telephone 362-7661

The following information has been supplied by Mr. Henry B. Sussman, the President of The Sussman Realty Corporation Limited and the Chairman of the Board of H. B. Sussman Associates Limited, in connection with the proposed issue by H. B. Sussman Associates Limited of \$1,000,000 aggregate principal amount of 7% Secured Sinking Fund Debentures Series A convertible into common shares without par value in the capital stock of The Sussman Realty Corporation Limited, 150,000 common shares without par value in the capital of The Sussman Realty Corporation Limited and common share purchase warrants entitling the holders thereof to purchase an aggregate of 150,000 common shares without par value in the capital of The Sussman Corporation Limited.

The Sussman Realty Corporation Limited

The Sussman Realty Corporation Limited (hereinafter referred to as "Sussman Realty") was incorporated under the laws of Ontario by letters patent dated June 19, 1962, and proposes to acquire from Henry B. Sussman all of the issued and outstanding shares in the capital of H. B. Sussman Associates Limited (hereinafter referred to as "Sussman Associates") and H. B. Sussman Associates (Quebec) Limited (hereinafter referred to as "Sussman Quebec") for a purchase price of \$650,000 to be satisfied by the payment of \$80,000 in cash and the issue to Henry B. Sussman of 600,000 common shares without par value in the capital of Sussman Realty, 125,000 3% cumulative redeemable convertible preference shares with a par value of \$2.00 each in the capital of Sussman Realty and a non-interest bearing note in the amount of \$170,000 payable within thirty days from the date of completion of the purchase of the said shares of Sussman Associates and Sussman Quebec. The cash portion of the said purchase price will be defrayed from the sale of the common shares and common share purchase warrants of Sussman Realty offered by this Prospectus and it is expected the non-interest bearing note will be retired from moneys to be received by Sussman Realty from a dividend in the amount of such note to be declared by Sussman Associates immediately following the acquisition by Sussman Realty of all the issued and outstanding shares of Sussman Associates.

H. B. Sussman Associates Limited

Sussman Associates was incorporated under the laws of Ontario by letters patent dated December 11, 1958 and engages in the real estate business as a real estate broker and consultant. It is registered under The Real Estate and Business Brokers Act and The Mortgage Brokers Act of the Province of Ontario.

Sussman Associates through its personnel and facilities offers a complete real estate service mainly to corporations and large investors. The success of its business to date has been attributable to a large extent to the ability and effort of its management. Its future success will depend materially upon a continuation of its present management or other management which is capable of providing the services now offered by Sussman Associates. It was originally incorporated with the object of securing or originating investment opportunities in real estate for specific investors in Canada, Europe and the United States, with particular emphasis on "sale-lease back" transactions. Initially, Sussman Associates carried a conventional real estate business, buying and selling, as an agent on commission basis, income producing properties such as shopping centers, office buildings and department stores in which there were major responsible tenants occupying space on a rental basis.

During the years 1959 and 1960, Sussman Associates became active with respect to properties in the United States of America and during this period was responsible for acquiring, primarily on behalf of Canadian investors, properties having a value of about \$20,000,000 including office buildings in Rochester, Buffalo and suburban Washington and other properties with major tenants such as Food Fair Stores, Bargain City Department Stores, Topps Department Stores and Towers Discount Department Stores.

As a result of experience gained in the discount department store operation in the United States, Sussman Associates expanded into a more specialized field of real estate. On behalf of clients, it locates and assembles suitable land on which a retail outlet or department store may be located, finds a purchaser who will purchase the land on the basis of a lease by the tenant company, assists, if necessary, in arranging mortgage financing of the building to be erected on the land and, in certain cases, arranges for construction of the building usually to specifications laid down by the company which will occupy the building. In some cases, the building is constructed prior to the sale to the ultimate purchaser; in others, the purchaser will undertake the construction of the building to the specifications of the ultimate user. Sussman Associates is paid a fee for these services and, in addition, where it arranges a sale of the property involved, it usually receives a fee from the vendor. In many instances the fee earned by Sussman Associates is payable over a term of years, normally not exceeding five. However in some cases the fee may be payable over a longer term.

Sussman Associates has acted on behalf of Towers Marts and Properties Limited with respect to the eleven Towers discount shopping plazas or stores having an aggregate floor area of approximately 1,400,000 square feet which have been opened in Canada, and for American International Bowling Corporation, the first and largest ten pin bowling chain in Canada, in connection with the establishment of nine bowling centres in Southern Ontario having a total of 294 lanes.

Sussman Associates has been retained by Towers on an exclusive basis to locate sites, assemble land and arrange the sale on a lease back basis of all Towers plazas or stores to be opened in Canada until December 31, 1962. In addition, clients of Sussman Associates hold an exclusive option to purchase for the next five years all Towers plazas or stores constructed during such period in Canada and certain plazas or stores constructed during such period in the United States.

Sussman Associates has recently entered into an exclusive arrangement with Ontario Cleaning Carousels Limited to acquire on its behalf a large number of locations in Eastern Canada suitable for coin operated dry cleaning establishments. It is expected that some of these locations will be in existing shopping centers and others will be free standing buildings where Sussman Associates will be required to acquire the land, arrange for construction, find an ultimate purchaser and assist in arranging mortgage financing.

In addition to providing its specialized services, Sussman Associates has been active in the more conventional real estate and business brokerage field. Some of the more important transactions handled have been the sale and resale of three Good Deal supermarkets in the State of New Jersey, the sale and resale of the Terry Shops Department Store in Flemington, New Jersey, the sale and resale of the Big Scot Department Store in Kingston, New York, the sale and lease-back for Consolidated Building Corporation Limited of the office building at 99 Avenue Road, Toronto, and the sale and/or lease-back of many industrial and commercial buildings occupied by such tenants as Dominion Rubber, Texaco, R.C.A. and Dunlop Rubber.

Sussman Associates, since its incorporation, has acted for various clients in a consulting capacity with respect to their program of acquiring income producing properties in Canada and elsewhere. Sussman Associates expects that it will continue to act as a consultant for clients in connection with their existing portfolios of properties and future acquisitions.

Future Plans

Sussman Realty and/or Sussman Associates, either directly or through wholly owned subsidiaries to be incorporated for the purpose, propose to act as principal in the purchase of major income producing real estate properties in Canada or the United States. It is anticipated that in most cases such properties will be resold within a reasonably short period of time. The resale of such properties may be made to individual investors or a group of investors or may be carried out through syndication of the property. In the event the property is syndicated, an interest in the property may be retained. Syndication of income producing properties through participation of small investors has met with considerable success in the United States but has been carried out only to a limited extent in Canada. Sussman Realty intends to explore the possibility of syndication of real estate through participation of small investors to a greater extent in Canada.

Sussman Associates is licensed under The Mortgage Brokers Act of Ontario and intends to provide a comprehensive service in arranging mortgages on a temporary and permanent basis.

Perdi Insurance and Management Corporation Limited

Sussman Associates in April 1961 acquired 50% of the issued and outstanding shares of Perdi Insurance and Management Corporation Limited (hereinafter referred to as "Perdi"). Perdi carries on a general insurance agency business and acts as agent for clients of Sussman Associates and others in placing insurance on their properties.

Management

Mr. Henry B. Sussman, the founder of Sussman Associates, has had many years of experience in modern commercial real estate transactions. Under his direction Sussman Associates has developed a strong management team qualified to provide the complete real estate service offered by it.

Purpose of Issues

The sum of \$1,000,000 (being the proceeds, \$913,400, from the sale of the 7% Secured Sinking Fund Debentures Series A of Sussman Associates offered by this Prospectus together with an additional amount of \$86,600) will be deposited with the Trustee under the Trust Indenture pursuant to which the said Debentures are to be issued and may be withdrawn only on the basis set out under the heading "Deposit of Proceeds" on page 5 of this Prospectus. Moneys so withdrawn from the Trustee will be used in the business of Sussman Associates of purchasing, selling, leasing and developing real estate as a real estate agent or to provide funds to enable Sussman Associates through wholly owned subsidiaries to act as principal in the purchase of income producing real estate properties.

The net proceeds to Sussman Realty from the sale of the common shares and common share purchase warrants of Sussman Realty offered by this Prospectus will be used to defray the cash portion of the purchase price of the shares of Sussman Associates and Sussman Quebec to be purchased by Sussman Realty.

Capitalization of The Sussman Realty Corporation Limited as at August 3, 1962 after giving effect to the present financing.

	Authorized	Outstanding
3% Cumulative Redeemable Convertible Preference Shares with a par value of \$2.00 each	125,000 shs.	125,000 shs.
Common Shares without par value	2,000,000 shs. (1) (2)	750,007 shs. (2)

(1) Of which 333,334 common shares will be reserved for conversion of the 7% Secured Sinking Fund Debentures Series A of Sussman Associates, 150,000 common shares will be reserved for issue upon the exercise of share purchase warrants to purchase common shares at a price of \$2.00 per share and 50,000 common shares will be reserved for issue upon the exercise of options granted to employees to purchase common shares at a price of 50¢ per share.

(2) Each 3% cumulative redeemable convertible preference share is convertible up to June 30, 1967 into one common share. To the extent that preference shares are converted into common shares, The Corporations Act of the Province of Ontario provides that the number of shares of each class affected by the conversion is changed accordingly.

Earnings

The following report with respect to the earnings of Sussman Associates and the combined earnings of Sussman Associates and Sussman Quebec has been received from the auditors of said companies.

H. B. SUSSMAN ASSOCIATES LIMITED STATEMENT OF EARNINGS

from commencement of operations January 1, 1959 to April 30, 1962

	Profit Before Amortization, Depreciation and Taxes On Income	Depreciation and Amortization	Taxes on Income	Net Profit
<i>Fiscal Year Ended</i>				
December 31, 1959	\$ 43,702	\$ 702	\$ 15,488	\$ 26,882
December 31, 1960	84,066	2,050	35,566	46,450
December 31, 1961	179,758	4,789	79,626	95,343
<i>Four Month Period Ended</i>				
April 30, 1962	395,816	1,346	194,554	199,916

NOTES TO THE STATEMENT OF EARNINGS:

1. Included in the profits before amortization, depreciation and taxes on income for the fiscal year ended December 31, 1961, is a dividend received from Perdi Insurance and Management Corporation Limited of \$2,323, and for the period January 1, 1962 to April 30, 1962 the dividend income is \$808.
2. All transactions between H. B. Sussman Associates Limited and H. B. Sussman Associates (Quebec) Limited have been eliminated.
3. For income tax purposes H. B. Sussman Associates Limited has reported its income on the basis of the excess of cash receipts over cash disbursements. The item "Taxes on Income" appearing in the annexed Statement of Earnings therefore includes both income taxes currently payable and deferred income taxes payable. The total of the deferred income taxes payable is estimated at \$295,832 in respect of amounts not yet actually received and which will be included for income tax purposes only at the time received.

AUDITORS' REPORT

To the Directors of
H. B. Sussman Associates Limited

We have examined the accompanying Statement of Earnings of H. B. Sussman Associates Limited for the three years ended December 31, 1961 and the four months ended April 30, 1962. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate in the circumstances.

In our opinion, the accompanying Statement of Earnings, supplemented by the notes thereto, presents fairly the results of operations of H. B. Sussman Associates Limited for the above fiscal years and four months, in accordance with generally accepted accounting principles.

Toronto, Ontario
August 3, 1962.

(Signed) WM. EISENBERG & Co.
Chartered Accountants

H. B. SUSSMAN ASSOCIATES LIMITED AND H. B. SUSSMAN ASSOCIATES (QUEBEC) LIMITED STATEMENT OF COMBINED EARNINGS

from commencement of operations January 1, 1959 to April 30, 1962.

<i>Fiscal Year Ended</i>	Profit Before Amortization, Depreciation and Taxes on Income	Depreciation and Amortization	Taxes on Income	Net Profit
December 31, 1959	\$ 43,702	\$ 702	\$ 15,488	\$ 26,882
December 31, 1960	84,066	2,050	35,566	46,450
December 31, 1961	209,893	5,011	95,181	109,701
<i>Four Month Period Ended</i>				
April 30, 1962	417,046	1,405	205,792	209,849

NOTES TO THE STATEMENT OF COMBINED EARNINGS:

1. Included in the profits before amortization, depreciation and taxes on income for the fiscal year ended December 31, 1961, is a dividend received from Perdi Insurance and Management Corporation Limited of \$2,323, and for the period January 1, 1962 to April 30, 1962 the dividend income is \$808.
2. H. B. Sussman Associates (Quebec) Limited commenced operations in January, 1961.
3. All inter-Company transactions have been eliminated.
4. For income tax purposes H. B. Sussman Associates Limited and H. B. Sussman Associates (Quebec) Limited have reported their incomes on the basis of the excess of cash receipts over cash disbursements. The item "Taxes on Income" appearing in the annexed Statement of Combined Earnings therefore includes both income taxes currently payable and deferred income taxes payable. The total of the deferred income taxes payable is estimated at \$315,052 in respect of amounts not yet actually received and which will be included for income tax purposes only at the time received.

To the Directors of
H. B. Sussman Associates Limited
and H. B. Sussman Associates (Quebec) Limited.

AUDITORS' REPORT

We have examined the accompanying Statement of Combined Earnings of H. B. Sussman Associates Limited for the three years ended December 31, 1961 and the four months ended April 30, 1962, and H. B. Sussman Associates (Quebec) Limited for the year ended December 31, 1961 and the four month period ended April 30, 1962. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate in the circumstances.

In our opinion, the accompanying Statement of Combined Earnings, supplemented by the notes thereto, presents fairly the results of operations of the companies for the above fiscal years and four months, in accordance with generally accepted accounting principles.

Toronto, Ontario
August 3, 1962.

(Signed) WM. EISENBERG & Co.
Chartered Accountants

SECURITY

Certain Provisions of the Trust Indenture

The \$1,000,000 aggregate principal amount of 7% Secured Sinking Fund Debentures Series A (hereinafter referred to as the "Series A Debentures") now proposed to be issued by Sussman Associates are to be direct obligations of Sussman Associates and are to be issued under and secured by a Trust Indenture (herein referred to as the "Trust Indenture") to be dated as of July 15, 1962 and to be entered into between Sussman Associates, Sussman Realty and The Canada Trust Company, as Trustee. The Series A Debentures and all other Debentures hereafter issued under the Trust Indenture will be secured by

(a) a first fixed and specific mortgage, pledge or charge of and upon

- (i) Eligible Receivables as to be defined in the Trust Indenture which have been delivered to the Trustee for the purpose of being mortgaged, pledged or charged under the Trust Indenture,
- (ii) all moneys and Approved Securities as to be defined in the Trust Indenture from time to time on deposit with or held by and pledged with the Trustee,
- (iii) all right, title, interest and benefit of Sussman Associates in, to, under or in respect of all debts, accounts, claims, moneys and choses in action due or owing to Sussman Associates from affiliates and which have been incurred by such affiliates in connection with a pledge of Receivables (as to be defined in the Trust Indenture) by such affiliates to Sussman Associates, and
- (iv) all right, title, interest and benefit of Sussman Associates in, to, under or in respect of policies of life insurance on the life of Henry B. Sussman in the aggregate amount of \$250,000.

- (b) a first floating charge under the laws of the Province of Ontario upon all property and assets of Sussman Associates (except such thereof as have been effectively and validly subject to the fixed and specific mortgage, pledge or charge of the Trust Indenture) and upon its undertaking.

GUARANTEE BY SUSSMAN REALTY

The due and punctual payment of the principal of and premium, if any, and interest on the Series A Debentures will be unconditionally guaranteed by Sussman Realty. The performance by Sussman Realty of its guarantee of the due and punctual payment of the principal of and premium, if any, and interest on the Series A Debentures will be secured under the Trust Indenture by a first fixed and specific mortgage, pledge or charge of and upon all shares in the capital of Sussman Associates and Sussman Quebec now owned by Sussman Realty. The said first fixed and specific mortgage, pledge or charge to be created by Sussman Realty will be expressed to be applicable to all shares in the capital of Sussman Associates and Sussman Quebec acquired by Sussman Realty after the date of the Trust Indenture.

DEPOSIT OF PROCEEDS

The proceeds from the sale of the Series A Debentures together with the sum of \$86,600 (being an aggregate of \$1,000,000) will be deposited with The Canada Trust Company, the Trustee under the Trust Indenture. The Trust Indenture will provide for the withdrawal by Sussman Associates of such moneys from the Trustee upon the mortgage, pledge or charge with the Trustee of Eligible Receivables upon which the balance owing to Sussman Associates at the time of deposit thereof with the Trustee is not less than 125% of the moneys to be withdrawn by Sussman Associates; provided that, where such Eligible Receivables are mortgaged, pledged or charged with the Trustee on the basis of a pledge thereof by an affiliate to Sussman Associates, the amount of moneys that may be withdrawn shall not exceed 80% of the balance owing to such affiliate upon such Eligible Receivables at the time of deposit thereof with the Trustee or 80% of the amount of the indebtedness of such affiliate to Sussman Associates secured thereby at the time of deposit, whichever is the lesser.

ADDITIONAL DEBENTURES

The Trust Indenture is to contain provisions permitting the issuance (subject as hereinafter provided) from time to time of additional Debentures (herein referred to as "additional Debentures") thereunder without limitation as to aggregate principal amount, which additional Debentures will rank equally and rateably with the Series A Debentures save only as to sinking fund provisions applicable to different issues and the principal of and premium, if any, and interest on such additional Debentures may be payable in such currency or currencies as may be determined by Sussman Associates at the time of the issue thereof.

CERTAIN COVENANTS

The Trust Indenture is to contain covenants of Sussman Associates, among others, substantially to the following effect:

- (a) The aggregate amount of
- (i) the principal amount of indebtedness owing to Sussman Associates and/or an affiliate upon Eligible Receivables at the time specifically mortgaged, pledged or charged under the Trust Indenture after deducting therefrom an amount equal to the amount of delinquent accounts included therein and any Repledge Deficiency (as to be defined in the Trust Indenture) applicable thereto, plus
 - (ii) 125% of (x) the amount of any cash, plus (y) the market value of Approved Securities, which cash and Approved Securities are at such time physically held by and pledged with the Trustee as part of the specifically mortgaged premises,
- will not at any time be less than 125% of the aggregate principal amount of all Debentures at the time outstanding.
- (b) Sussman Associates will not at any time issue any additional Debentures under the Trust Indenture except to the extent (i) that immediately after giving effect to the issue of such additional Debentures the covenant referred to in (a) above will be complied with and (ii) that the Consolidated Net Earnings Available for Interest for any twelve consecutive months out of the eighteen consecutive calendar months next preceding the issue of such additional Debentures shall have been equal to at least two times the aggregate annual interest requirements of all the Debentures then outstanding under the Trust Indenture and such additional Debentures.
- (c) Sussman Associates will not issue, sell or otherwise dispose of any shares of any class in its capital except to Sussman Realty.
- (d) The method of specifically mortgaging, pledging or charging Eligible Receivables acquired by affiliates will be such method as will, in the opinion of counsel, duly and validly subject the same to the first fixed and specific lien and charge of the Trust Indenture to the same extent as if such Eligible Receivables were the property of Sussman Associates delivered and pledged under the Trust Indenture and that, in the case of any such Eligible Receivables where the right of Sussman Associates to pledge the same under the Trust Indenture is based upon the pledge thereof to Sussman Associates by an affiliate, such repledge will be expressly authorized in writing by the affiliate.

Redemption

The Series A Debentures will be redeemable prior to maturity in whole at any time or in part from time to time at the option of Sussman Associates on not less than thirty days prior notice at the principal amount thereof plus accrued interest to the date specified for redemption plus a premium of 6% of such principal amount to and including July 15, 1963, thereafter such premium to decrease progressively 1.5% on July 16, 1963 and on each succeeding July 16 to and including July 16, 1966, on and after which date the Series A Debentures will be redeemable without premium.

Sinking Fund

Sussman Associates will covenant in the Trust Indenture to establish a sinking fund for the Series A Debentures by paying to the Trustee an amount sufficient to retire \$200,000 principal amount of Series A Debentures on July 15 in each of the years 1963 to 1966, inclusive. Series A Debentures will be redeemable out of sinking fund moneys at the principal amount thereof together with accrued interest to the date specified

for redemption. Sussman Associates will have the right to purchase Series A Debentures in the market or by private contract at prices not exceeding the redemption price in effect at the time of purchase in respect of Series A Debentures if redeemed otherwise than out of sinking fund moneys, plus accrued interest and costs of purchase. All Series A Debentures purchased or redeemed, except Series A Debentures purchased or redeemed out of sinking fund moneys, shall, notwithstanding the cancellation thereof, be available to Sussman Associates as a sinking fund credit which, at the election of Sussman Associates, may be applied, to the extent not theretofore applied, in satisfaction in whole or in part of required sinking fund payments payable thereafter. Sussman Associates will be entitled to direct the Trustee to apply any moneys held by the Trustee in satisfaction or in part satisfaction of any sinking fund payment under the Trust Indenture. Series A Debentures purchased or redeemed are to be cancelled and not re-issued.

Conversion of the Series A Debentures

Pursuant to an Indenture (hereinafter referred to as the "Conversion Indenture") to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and The Canada Trust Company, Sussman Realty will covenant and agree that each Series A Debenture will be convertible at the option of the holder at any time up to the close of business on the day immediately preceding the maturity date or on the fifth day immediately preceding the date specified for redemption of any such Debenture, whichever is the earlier, into fully paid and non-assessable common shares without par value in the capital of Sussman Realty (without adjustment for interest accrued on such Debenture or for dividends on common shares issuable on conversion) at a price of \$3.00 per share if such conversion takes place on or before July 15, 1965, at a price of \$4.00 per share if such conversion takes place after July 15, 1965 and on or before July 15, 1966, and at a price of \$5.00 per share if such conversion takes place after July 15, 1966 and on or before July 14, 1967.

The Conversion Indenture will contain provisions for adjustment of the conversion privilege in the event of any subdivision or consolidation of the outstanding common shares of Sussman Realty. Provision will also be made in the Conversion Indenture to protect the right of conversion in the event of any reorganization or reclassification of the share capital of Sussman Realty or the consolidation or merger of Sussman Realty with or into another corporation or the sale or transfer of the assets of Sussman Realty as a whole or substantially as a whole or in the event of the issue of common shares at a price less than the conversion price in effect at the time of such issue. The Conversion Indenture will provide that no fraction of a common share of Sussman Realty will be deliverable upon the conversion of any Series A Debenture of Sussman Associates and that Sussman Realty will adjust all fractions arising upon conversion by paying to the holder of the Series A Debenture being surrendered for conversion an amount in cash computed in the manner to be set out in the Conversion Indenture.

Common Share Purchase Warrants

The Series A Debentures of Sussman Associates when originally issued in definitive form will be accompanied by common share purchase warrants of Sussman Realty entitling the holders thereof to purchase, on or before the close of business on July 15, 1967, common shares without par value in the capital of Sussman Realty at a price of \$2.00 per share, at the rate of 10 such common shares for each \$100 principal amount of such Debentures. Reference is made to paragraph 11 of the subjoined statutory information of Sussman Realty for further details of the said common share purchase warrants.

H. B. SUSSMAN ASSOCIATES LIMITED
(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET AND PRO FORMA BALANCE SHEET

As At April 30, 1962

Assets	Balance Sheet	Pro Forma Balance Sheet
CURRENT ASSETS		
Cash on Hand and in Bank	\$ 681	\$ 98,819
Cash in Bank—Clients Trust	28,770	28,770
Accounts Receivable	156,457	156,457
Sundry Receivables	2,016	2,016
Loans Receivable (Note 3)	16,549	16,549
Advances to Shareholders (Note 1 (d))	25,000	
Overpayment of Ontario Income Tax	700	
	<u>\$ 230,173</u>	<u>\$ 302,611</u>
ON DEPOSIT WITH TRUSTEE RE SINKING FUND DEBENTURES (Note 4)		
Cash		\$ 1,000,000
DEFERRED ASSETS (Notes 4 and 5)		
Accounts and Notes Receivable	\$ 618,771	\$ 424,033
INVESTMENTS—At Cost (No Quotable Value)		
Bonds	\$ 4,400	\$ 4,400
Shares in Perdi Insurance and Management Corporation Limited (Note 6)	101	101
	<u>\$ 4,501</u>	<u>\$ 4,501</u>
FIXED ASSETS—At Cost		
Furniture, Fixtures and Leasehold Improvements	\$ 29,492	\$ 29,492
Less: Accumulated Depreciation and Amortization	8,887	8,887
	<u>\$ 20,605</u>	<u>\$ 20,605</u>
OTHER ASSETS		
Unamortized Debenture Discount and Organization Expense.....		\$ 121,600
	<u>\$ 874,050</u>	<u>\$ 1,873,350</u>
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES		
Due to Clients—Re Trust Account	\$ 28,770	\$ 28,770
Accounts Payable, Accrued Charges and Withholding Taxes.....	8,694	8,694
Sundry Accounts Payable (Note 7)	12,589	12,589
Income Taxes Payable (Note 8)		87,823
Commissions, Legal and Placement Fees—Payable	27,144	27,144
	<u>\$ 77,197</u>	<u>\$ 165,020</u>
DEFERRED LIABILITIES		
Income Taxes Payable (Note 8)	\$ 295,832	\$ 207,309
Commissions, Legal and Placement Fees	132,328	132,328
	<u>\$ 428,160</u>	<u>\$ 339,637</u>
FUNDED DEBT (Note 4)		
7% Secured Sinking Fund Debentures Series A Payable in Equal Instalments From 1963 to 1967 Inclusive and Convertible into Common Shares of The Sussman Realty Corporation Limited		\$ 1,000,000
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized		
30,000 6% Redeemable Preference Shares, Par Value \$1.00 Each		
10,000 Common Shares, No Par Value		
Issued		
102 Common Shares	\$ 102	\$ 102
Retained Earnings	368,591	368,591
	<u>\$ 368,693</u>	<u>\$ 368,693</u>
	<u>\$ 874,050</u>	<u>\$ 1,873,350</u>

To be read in conjunction with attached notes which form an integral part of these balance sheets.

Approved on behalf of the board

(Signed) H. B. SUSSMAN
Director

(Signed) JOSEPH FRUCHTER
Director

H. B. SUSSMAN ASSOCIATES LIMITED

Notes to Balance Sheet and Pro Forma Balance Sheet as at April 30, 1962

1. The pro forma balance sheet as at April 30, 1962, gives effect to the following:
 - (a) The issue and sale by H. B. Sussman Associates Limited to Annett & Company Limited and First Canada Financial Corporation Limited, pursuant to an agreement dated July 25, 1962 of \$1,000,000 principal amount of 7% Secured Sinking Fund Debentures Series A, maturing July 15, 1967, for \$913,400 cash, and the charge to unamortized debenture discount of \$86,600, which is the discount on the sale of the above-mentioned Debentures.
 - (b) The payment of legal, audit, printing and other expenses estimated at \$35,000 in connection with the above issue of Debentures.
 - (c) The purchase by Mr. H. B. Sussman for cash from H. B. Sussman Associates Limited of certain long-term accounts receivable at their face value of \$194,738.
 - (d) The repayment of Mr. H. B. Sussman of a loan of \$25,000 due by him to H. B. Sussman Associates Limited.
2. The basis of conversion of assets receivable in U.S. Funds is \$1.00 U.S. equal to \$1.04 Canadian.
3. Included in the loans receivable is an amount of \$2,000 owing by an individual suing H. B. Sussman Associates Limited for commissions which may be greater than the loan receivable. Mr. H. B. Sussman has undertaken to reimburse H. B. Sussman Associates Limited for this loan receivable and for any amount that may have to be paid by virtue of this law suit.
4. The terms of the trust indenture to be dated as of July 15, 1962, pursuant to which the 7% Secured Sinking Fund Debentures Series A of H. B. Sussman Associates Limited will be issued, will require the establishment of a sinking fund by paying to the trustee amounts sufficient to retire \$200,000 principal amount of Series A Debentures on July 15 in each of the years 1963 to 1966 inclusive. The Debentures will be convertible in accordance with the conversion indenture to be dated as of July 15, 1962 into shares of The Sussman Realty Corporation Limited at the following prices per share:

If converted on or before July 15, 1965	\$3.00 per share
If converted after July 15, 1965 and on or before July 15, 1966	\$4.00 per share
If converted after July 15, 1966 and on or before July 14, 1967	\$5.00 per share

The trust indenture will also provide for the withdrawal by H. B. Sussman Associates Limited of monies deposited with the trustee thereunder upon the mortgage, pledge, or charge of eligible receivables (as defined in this prospectus) upon which the balance owing at the time of deposit thereof with the trustee is not less than 125% of the money so withdrawn by H. B. Sussman Associates Limited.
5. Included in the total of accounts and notes receivable of \$618,771 is an amount of \$71,000 payable May 15, 1963 and \$123,738 payable in 1987. The latter balance bears interest at the rate of \$12,000 per annum. Mr. H. B. Sussman has agreed to purchase these above mentioned receivables amounting to \$194,738 for \$194,738 payable in cash. Of the balance of \$424,033 there is an amount owing of \$196,033 maturing within 5 years with payments being made monthly. \$70,243 of this amount bears interest at 6% per annum and the balance bears no interest. Commissions and legal and placement fees owing on account of these accounts and notes receivable is \$46,828 and a proportionate part of the interest received by H. B. Sussman Associates Limited. The remaining balance of \$228,000 matures in April 1982 and is payable at the rate of \$1,000 per month with no interest and the commissions payable relating thereto total \$85,500.
6. H. B. Sussman Associates Limited has a 50% interest in Perdi Insurance and Management Corporation Limited.
7. This amount is owing to H. B. Sussman Associates (Quebec) Limited.
8. For income tax purposes H. B. Sussman Associates Limited has reported its income on the basis of the excess of cash receipts over cash disbursements. The total of deferred income taxes payable is estimated at \$295,832 in respect of amounts not yet actually received but which have been included in the annexed balance sheet as receivable. These amounts will be included for income tax purposes only at the time received. A current income tax liability of \$87,823 will be created on the purchase by H. B. Sussman of certain accounts receivable amounting to \$194,738.
9. It is the intention of H. B. Sussman Associates Limited to declare a dividend of \$170,000 as stated in paragraphs 21 & 22 of the subjoined statutory information of The Sussman Realty Corporation Limited.

AUDITORS' REPORT

To the Directors,
H. B. Sussman Associates Limited.

We have examined the Balance Sheet and Pro Forma Balance Sheet of H. B. Sussman Associates Limited as at April 30, 1962. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate in the circumstances.

In our opinion the accompanying Balance Sheet supplemented by the notes thereto, presents fairly the financial position of the Company as at April 30, 1962 in accordance with generally accepted accounting principles. In our opinion the accompanying Pro Forma Balance Sheet supplemented by the notes thereto presents fairly the financial position of the Company as at April 30, 1962 in accordance with generally accepted accounting principles after giving effect as at that date to the transactions set out in note 1 thereto.

Toronto, Ontario
August 3, 1962.

(Signed) WM. EISENBERG & Co.
Chartered Accountants

H. B. SUSSMAN ASSOCIATES (QUEBEC) LIMITED

(Incorporated under the laws of the Province of Quebec)

BALANCE SHEET

as at April 30, 1962

CURRENT ASSETS

Assets

Cash on Hand and in Bank	\$	147	
Accounts Receivable		27,000	
Sundry Receivables (Note 1)		12,589	
Loans Receivable		4,615	
Advances to Shareholders		100	\$ 44,451

DEFERRED ASSETS (Note 2)

Accounts Receivable			\$ 22,000
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FIXED ASSETS—At Cost

Furniture, Fixtures and Leasehold Improvements		1,111	
Less: Accumulated Depreciation and Amortization		281	830
			<u>\$ 67,281</u>

Liabilities and Shareholders' Equity

CURRENT LIABILITIES

Accrued Charges	\$	670	
Commissions payable		12,000	\$ 12,670

DEFERRED LIABILITIES (Note 3)

Income Taxes Payable—Deferred	\$	19,220	
Commissions payable		11,000	\$ 30,220

SHAREHOLDERS' EQUITY

Capital Stock

Authorized

1,000 Common Shares, Par Value of \$1.00 each

Issued

100 Common Shares

Retained Earnings		24,291	24,391
			<u>\$ 67,281</u>

To be read in conjunction with attached notes which form an integral part of this balance sheet.

Approved on behalf of the Board

(Signed) H. B. SUSSMAN
Director

(Signed) JOSEPH FRUCHTER
Director

H. B. SUSSMAN ASSOCIATES (QUEBEC) LIMITED

Notes to the Balance Sheet as at April 30, 1962

1. This amount is receivable from H. B. Sussman Associates Limited.
2. The accounts receivable of \$22,000 bear no interest and mature within 2 years with payments being made monthly. Commissions owing thereon total \$11,000.
3. For income tax purposes H. B. Sussman Associates (Quebec) Limited has reported its income on the basis of the excess of cash receipts over cash disbursements. The total of deferred income taxes payable is \$19,220, in respect of amounts not yet actually received but which have been included in the annexed statement as receivable. These amounts will be included for income tax purposes only at the time received.

AUDITORS' REPORT

To the Directors,

H. B. Sussman Associates (Quebec) Limited.

We have examined the Balance Sheet of H. B. Sussman Associates (Quebec) Limited as at April 30, 1962. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate in the circumstances.

In our opinion the accompanying Balance Sheet supplemented by the notes thereto presents fairly the financial position of the Company as at April 30, 1962 in accordance with generally accepted accounting principles.

Toronto, Ontario
August 3, 1962.

(Signed) WM. EISENBERG & Co.
Chartered Accountants

THE SUSSMAN REALTY CORPORATION LIMITED
(Incorporated under the laws of the Province of Ontario)
and its wholly-owned subsidiaries
H. B. SUSSMAN ASSOCIATES LIMITED
and
H. B. SUSSMAN ASSOCIATES (QUEBEC) LIMITED
Pro Forma Consolidated Balance Sheet
as at April 30, 1962

CURRENT ASSETS		Assets	
Cash on Hand and Cash in Bank		\$ 101,573	
Cash in Bank—Clients Trust		28,770	
Accounts and Notes Receivable—Current (Note 4)		183,457	
Sundry Receivables		2,016	
Loans Receivable (Note 3)		21,164	\$ 336,980
ON DEPOSIT WITH TRUSTEE RE SINKING FUND DEBENTURES (Note 4)			
Cash			\$ 1,000,000
DEFERRED ASSETS (Notes 4 and 5)			
Accounts and Notes Receivable			\$ 446,033
INVESTMENTS—At Cost (No quotable value)			
Bonds		\$ 4,400	
Shares in Perdi Insurance and Management Corporation Limited (Note 6)		101	4,501
FIXED ASSETS—At Cost			
Furniture, Fixtures and Leasehold Improvements		\$ 30,603	
Less: Accumulated Depreciation and Amortization		9,168	21,435
OTHER ASSETS			
Excess of Purchase Price of Shares Over Net Book Value of Shares in Subsidiaries		\$ 256,916	
Unamortized Debenture Discount and Organization Expense		121,600	378,516
			<u>\$ 2,187,465</u>
CURRENT LIABILITIES		Liabilities and Shareholders' Equity	
Note Payable (Note 1(f))		\$ 170,000	
Due to Clients Re Trust Account		28,770	
Accounts Payable, Accrued Charges and Withholding Taxes		9,364	
Commissions, Legal and Placement Fees Payable		39,144	
Income Taxes Payable (Note 7)		87,823	\$ 335,101
DEFERRED LIABILITIES			
Commissions, Legal and Placement Fees Payable		\$ 143,328	
Income Taxes Payable (Note 7)		226,529	\$ 369,857
FUNDED DEBT (Note 4)			
7% Secured Sinking Fund Debentures Series A Payable in Equal Instalments from 1963 to 1967 Inclusive and convertible into common shares of The Sussman Realty Corporation Limited			1,000,000
SHAREHOLDERS' EQUITY (Note 1)			
Capital Stock			
Authorized			
125,000 3% Redeemable Cumulative Convertible Preference Shares Par Value \$2.00 each .			
2,000,000 Common Shares Without Nominal or Par Value			
Capital Stock			
Issued			
125,000 Preference Shares		\$ 250,000	
750,007 Common Shares		225,007	
Contributed Surplus		\$ 475,007	
Arising from Sale of 150,000 Share Purchase Warrants (Note 8)		7,500	482,507
			<u>\$ 2,187,465</u>

To be read in conjunction with the attached notes which form an integral part of this pro forma consolidated balance sheet.

Approved on behalf of the Board
(Signed) H. B. SUSSMAN (Signed) JOSEPH FRUCHTER
Director Director

THE SUSSMAN REALTY CORPORATION LIMITED
and its wholly-owned subsidiaries
H. B. SUSSMAN ASSOCIATES LIMITED
and
H. B. SUSSMAN ASSOCIATES (QUEBEC) LIMITED

Notes to Pro Forma Consolidated Balance Sheet as at April 30, 1962

1. The pro forma consolidated balance sheet as at April 30, 1962, gives effect to the following:
 - (a) The incorporation of The Sussman Realty Corporation Limited under the laws of Ontario by letters patent dated June 19, 1962, with an authorized capital of 125,000 3% redeemable cumulative convertible preference shares with a par value of \$2.00 each, and 2,000,000 common shares without par value. Each preference share is convertible up to June 30, 1967 into one common share.
 - (b) The issue and sale by The Sussman Realty Corporation Limited to Annett & Company Limited and First Canada Financial Corporation Limited, pursuant to an agreement dated July 25, 1962, of 150,000 common shares without par value for 50¢ per share, totalling \$75,000, and 150,000 warrants at 5¢ each, totalling \$7,500.
 - (c) The issue of 7 common shares of The Sussman Realty Corporation Limited for a cash consideration of \$7.00.
 - (d) The issue and sale by H. B. Sussman Associates Limited to Annett & Company Limited and First Canada Financial Corporation Limited, pursuant to an agreement dated July 25, 1962 of \$1,000,000 principal amount of 7% Secured Sinking Fund Debentures Series A, maturing July 15, 1967, for \$913,400 cash, and the charge to unamortized debenture discount of \$86,600, which is the discount on the sale of the above-mentioned Debentures.
 - (e) The payment of legal, audit, printing and other expenses estimated at \$35,000 in connection with the above issue of Debentures.
 - (f) The purchase by The Sussman Realty Corporation Limited from Mr. H. B. Sussman of all the issued shares in H. B. Sussman Associates Limited and H. B. Sussman Associates (Quebec) Limited for a price of \$650,000, to be satisfied as follows:

(1) 600,000 common shares without par value in The Sussman Realty Corporation Limited, to be issued at a price of 25¢ per share, making a total consideration of	\$ 150,000
(2) 125,000 3% redeemable cumulative convertible preference shares with a par value of \$2.00 each of The Sussman Realty Corporation Limited	250,000
(3) A non-interest-bearing note maturing within 30 days from date of purchase of shares for	170,000
(4) Cash in the amount of	80,000
TOTAL	\$ 650,000
 - (g) The purchase by Mr. H. B. Sussman for cash from H. B. Sussman Associates Limited of certain long-term accounts receivable at their face value of \$194,738.
 - (h) The repayment by Mr. H. B. Sussman of a loan of \$25,100 due by him to H. B. Sussman Associates Limited in the amount of \$25,000 and to H. B. Sussman Associates (Quebec) Limited in the amount of \$100.
2. The basis of conversion of assets receivable in U.S. Funds is \$1.00 U.S. equal to \$1.04 Canadian.
3. Included in the loans receivable is an amount of \$2,000 owing by an individual suing H. B. Sussman Associates Limited for commissions which may be greater than the loan receivable. Mr. H. B. Sussman has undertaken to reimburse H. B. Sussman Associates Limited for this loan receivable and for any amount that may have to be paid by virtue of this law suit.
4. The terms of the trust indenture to be dated as of July 15, 1962, pursuant to which the 7% Secured Sinking Fund Debentures Series A of H. B. Sussman Associates Limited will be issued, will require the establishment of a sinking fund by paying to the trustee amounts sufficient to retire \$200,000 principal amount of Series A Debentures on July 15 in each of the years 1963 to 1966 inclusive. The Debentures will be convertible in accordance with the conversion indenture to be dated as of July 15, 1962 into shares of The Sussman Realty Corporation Limited at the following prices per share:

If converted on or before July 15, 1965	\$3.00 per share
If converted after July 15, 1965 and on or before July 15, 1966	\$4.00 per share
If converted after July 15, 1966 and on or before July 14, 1967	\$5.00 per share

The trust indenture will also provide for the withdrawal by H. B. Sussman Associates Limited of monies deposited with the trustee thereunder upon the mortgage, pledge, or charge of eligible receivables (as defined in this prospectus) upon which the balance owing at the time of deposit thereof with the trustee is not less than 125% of the money so withdrawn by H. B. Sussman Associates Limited. The Sussman Realty Corporation Limited will unconditionally guarantee the due repayment of the Series A Debentures.
5. The accounts and notes receivable of \$446,033 mature as follows:

\$22,000 matures within two years with payments being made monthly. Commissions owing thereon total \$11,000.

\$196,033 matures within five years with payments being made monthly. \$70,243 of this amount bears interest at the rate of 6% and the remainder bears no interest. Commissions and legal and placement fees owing on account of these accounts and notes receivable is \$46,828 and a proportionate part of the interest received.

\$228,000 matures in April 1982 and is payable at the rate of \$1,000 per month with no interest. Commissions owing thereon total \$85,500.
6. H. B. Sussman Associates Limited has a 50% interest in Perdi Insurance and Management Corporation Limited.
7. For income tax purposes H. B. Sussman Associates Limited and H. B. Sussman Associates (Quebec) Limited have reported their incomes on the basis of the excess of cash receipts over cash disbursements. The total of deferred income taxes payable is estimated at \$226,529 in respect of amounts not yet actually received but which have been included in the annexed statement as receivable. These amounts will be included for income tax purposes only at the time received. A current income tax liability of \$87,823 will be created on the purchase by H. B. Sussman of certain accounts receivable amounting to \$194,738.
8. The share purchase warrants referred to in Note 1(b) will be issued pursuant to a common share purchase warrant indenture to be dated as of July 15, 1962 and will entitle the holders to purchase on or before July 15, 1967 a total of 150,000 common shares in the capital of The Sussman Realty Corporation Limited at a price of \$2.00 a share.
9. The Sussman Realty Corporation Limited has granted to certain employees of H. B. Sussman Associates Limited options to purchase, on or before July 15, 1967, an aggregate of 50,000 common shares at a price of 50¢ per share. Not more than 20% of the optioned shares may be purchased in any one year, provided that any shares not purchased in any year may be purchased in a subsequent year.
10. It is the intention of H. B. Sussman Associates Limited to declare a dividend in the amount of \$170,000, as stated in paragraphs 21 & 22 of the subjoined statutory information of The Sussman Realty Corporation Limited.

AUDITORS' REPORT

To the Directors,
The Sussman Realty Corporation Limited.

We have examined the Pro Forma Consolidated Balance Sheet of The Sussman Realty Corporation Limited and its wholly-owned subsidiary companies H. B. Sussman Associates Limited and H. B. Sussman Associates (Quebec) Limited. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate in the circumstances.

In our opinion the accompanying Pro Forma Consolidated Balance Sheet supplemented by the attached notes, presents fairly the financial position of the companies as at April 30, 1962 after giving effect as of that date to the transactions set forth in the accompanying Note 1, in accordance with generally accepted accounting principles.

Toronto, Ontario
August 3, 1962.

(Signed) WM. EISENBERG & Co.
Chartered Accountants

THE SUSSMAN REALTY CORPORATION LIMITED

Statutory Information

1. The full name of the Company is The Sussman Realty Corporation Limited (hereinafter referred to as "Sussman Realty") and the address of its head office is 99 Avenue Road, Toronto, Ontario.

2. Sussman Realty was incorporated under the laws of Ontario by letters patent dated June 19, 1962. No supplementary letters patent have been issued to Sussman Realty.

3. The general nature of the business to be transacted by Sussman Realty is the purchase, sale, leasing and other development of real estate either directly or through wholly-owned subsidiary companies and either as agent or principal.

4. The name in full, present occupation and home address of each of the directors and officers of Sussman Realty are as follows:

Chairman of the Board and Director	MAXWELL GOLDHAR, Executive	124 Old Forest Hill Road, Toronto, Ontario.
President and Director	HENRY BERNARD SUSSMAN, Executive	150 Old Forest Hill Road, Toronto, Ontario.
Vice-President and Director	JOSEPH FRUCHTER, Executive	3 Glen Rush Boulevard, Toronto, Ontario.
Vice-President and Director	NATHANIEL GOTFRID, Executive	21 Mayfair Avenue, Toronto, Ontario.
Director	DOUGLAS RUDYARD ANNETT, Investment Dealer	80 Glengrove Avenue West, Toronto, Ontario.
Director	EDWIN ALAN GOODMAN, one of Her Majesty's Counsel	402 Glenayr Road, Toronto, Ontario.
Director	JOHN WILLIAM BLAIN, Solicitor	81 Golfdale Road, Toronto, Ontario.
Secretary and Treasurer	WILLIAM KAGAN, Executive	10 Elderwood Drive, Toronto, Ontario.

5. The auditors of Sussman Realty are Messrs. Wm. Eisenberg & Co., Chartered Accountants, 425 University Avenue, Toronto, Ontario.

6. Guaranty Trust Company of Canada, at its principal offices in the cities of Toronto and Montreal, is the transfer agent and registrar for the common shares without par value in the capital of Sussman Realty. The 3% cumulative redeemable convertible preference shares with a par value of \$2.00 each in the capital of Sussman Realty are transferable at its head office.

7. The authorized capital of Sussman Realty consists of 125,000 3% cumulative redeemable convertible preference shares with a par value of \$2.00 each (hereinafter referred to as the "preference shares") and 2,000,000 common shares without par value, of which at the date hereof 7 common shares have been issued and are outstanding as fully paid and non-assessable. As stated in paragraph 21 & 22 hereof, Sussman Realty proposes to issue 125,000 preference shares and 600,000 common shares in connection with the purchase by it of all of the issued and outstanding shares of H. B. Sussman Associates Limited (hereinafter referred to as "Sussman Associates") and H. B. Sussman Associates (Quebec) Limited (hereinafter referred to as "Sussman Quebec").

8. The following is a description of the respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares of Sussman Realty (referred to in this paragraph 8 as the "Company") including redemption rights and rights on liquidation or distribution of capital assets:

The preference shares and the common shares have attached thereto preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:

(a) The holders of the preference shares shall be entitled to receive in each year a fixed cumulative preferential dividend at the rate of three per cent (3%) per annum, payable yearly, to be declared and paid before any dividend is declared and paid on the common shares, but they shall not be entitled to any other participation in the earnings or profits;

(b) In the event of the bankruptcy, liquidation, dissolution or winding-up of the Company or on any distribution of capital, the holders of the preference shares shall, in preference and priority to the holders of the common shares, be entitled out of the assets of the Company available for distribution to the payment in full of the amount paid up on the preference shares together with all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued to the date thereof, but they shall not be entitled to any further participation in such assets; if such assets are not sufficient to provide for all the preference shares as aforesaid, then all such assets or their proceeds shall be distributed rateably among the holders of the preference shares;

(c) The Company shall have the right at its option at any time on notice as hereinafter provided to redeem all or any part of the preference shares without the consent of the holders thereof on payment of the amount paid up thereon together with all unpaid cumulative dividends, whether or not earned or declared which shall have accrued to the date thereof; not less than fifteen (15) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date and place or places of redemption; if notice of any such redemption be given by the Company in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada, as specified in the notice, on or before the date fixed for

redemption, dividends on the preference shares to be redeemed shall cease after the date so fixed for redemption, and the holders thereof shall thereafter have no rights against the Company in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefor out of the monies so deposited;

(d) The Company may at any time and from time to time purchase for cancellation the whole or any part of the preference shares at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding the amount paid up thereon together with all unpaid cumulative dividends, whether or not earned or declared, which shall have accrued to the date thereof;

(e) At any time up to twelve o'clock noon, Eastern Standard Time, on the thirtieth day of June, A.D. 1967, except when the transfer registers of the Company are closed, every holder of preference shares, not being indebted to the Company, shall be entitled to have all or any of the preference shares held by him converted into common shares of the Company on the basis of one (1) common share for each preference share which such holder may desire to convert; in order to exercise such right of conversion such holder shall deliver to the secretary of the Company or to the Company's transfer agent and surrender the certificate respecting the preference shares which he desires to convert, together with a written notice exercising such right of conversion, which notice shall state the name or names in which he wishes the certificates for common shares to be issued and the address to which he wishes such certificates for common shares to be sent; he shall also pay any governmental or other tax imposed in respect to such transaction; the common shares resulting from such conversion shall be deemed to be fully paid and non-assessable; and after the date of surrender, the preference shares shall be converted into common shares and the holders thereof shall cease to have any rights in respect thereof except the right to receive certificates for common shares and the right to receive any arrears of dividends unpaid on the convertible preference shares and a pro rata proportion of the current half-yearly dividend, calculated to the date so fixed for such surrender as though such dividend were accruing from day to day; in the event of shares of either class being at any time subdivided or consolidated into a greater or lesser number of shares of the same or another class, appropriate adjustments shall be made in the rights and conditions attaching to the preference shares and common shares respectively so as to preserve in all respects the benefits hereby conferred on the holders of each class;

(f) The holders of the preference shares shall not, as such, have any voting rights for the election of directors or for any other purpose, nor shall they be entitled to attend shareholders' meetings, unless and until the Company shall fail, for a period aggregating two (2) years, to pay the dividend on the preference shares, whereupon and whenever the same shall occur, the holders of the preference shares shall, until all arrears of dividends have been paid on the preference shares, be entitled to attend all shareholders' meetings and shall have one (1) vote thereat for each preference share then held by them respectively; holders of preference shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof; the holders of common shares shall be entitled to one (1) vote for each common share held by them at all shareholders' meetings; and

(g) The authorization for an application for the issue of Supplementary Letters Patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the preference shares or to create preference shares ranking in priority to or on a parity with the preference shares, in addition to the authorization by a special resolution, may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the preference shares duly called for that purpose.

9. There are no bonds or debentures of Sussman Realty now outstanding or proposed to be issued. The preference shares will rank ahead of the common shares of Sussman Realty offered by this prospectus.

10. No substantial indebtedness not shown in the pro-forma consolidated balance sheet of Sussman Realty and its subsidiaries as at April 30, 1962 forming part of this prospectus is now intended to be created or assumed except obligations to be incurred in the ordinary course of the business and operations and on the general credit of Sussman Realty and/or its subsidiaries. Sussman Realty proposes to guarantee unconditionally the due and punctual payment of the principal of and premium, if any, and interest on the \$1,000,000 aggregate principal amount of 7% Secured Sinking Fund Debentures Series A (hereinafter referred to as the "Series A Debentures") proposed to be issued by Sussman Associates. Reference is made to the heading "Guarantee by Sussman Realty" on page 5 of this prospectus for details of the security to be given by Sussman Realty in connection with such guarantee.

11. (a) Pursuant to an indenture (hereinafter referred to as the "Conversion Indenture") to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and The Canada Trust Company, as Trustee, Sussman Realty will covenant and agree that each of the \$1,000,000 aggregate principal amount of Series A Debentures of Sussman Associates will be convertible at the holder's option at any time up to the close of business on the day immediately preceding the maturity date or on the fifth day immediately preceding the date specified for redemption of any such Debenture, whichever is the earlier, into fully paid and non-assessable common shares without par value in the capital of Sussman Realty (without adjustment for interest accrued on such Debenture or for dividends on common shares issuable upon conversion) at a price of \$3.00 per share if such conversion takes place on or before July 15, 1965, at a price of \$4.00 per share if such conversion takes place after July 15, 1965 and on or before July 15, 1966, and at a price of \$5.00 per share if such conversion takes place after July 15, 1966 and on or before July 14, 1967. The Conversion Indenture will contain provisions for adjustment of the conversion privilege in the event of any subdivision or consolidation of the outstanding common shares of Sussman Realty. Provision will also be made in the Conversion Indenture to protect the right of conversion in the event of any reorganization or reclassification of the share capital of Sussman Realty or the consolidation or merger of Sussman Realty with or into another corporation or the sale or transfer of the assets of Sussman Realty as a whole or substantially as a whole or in the event of the issue of common shares at a price less than the conversion price in effect at the time of such issue. The Conversion Indenture will provide that no fraction of a common share of Sussman Realty will be deliverable upon the conversion of any Series A Debenture of Sussman Associates and that Sussman Realty will adjust all fractions arising upon conversion by paying to the holder of the Series A Debenture being surrendered for conversion an amount in cash computed in the manner to be set out in the Conversion Indenture. Sussman Realty will covenant in the Conversion Indenture that it will at all times reserve sufficient of its unissued common shares to satisfy the exercise of the right of conversion attaching to the Series A Debentures of Sussman Associates.

Series A Debentures of Sussman Associates which are converted into common shares of Sussman Realty will not thereby be cancelled but shall be surrendered to and become the property of Sussman Realty. The right of conversion attaching to each Series A Debenture of Sussman Associates will be extinguished upon surrender of such Debenture to Sussman Realty, but there will be no restriction upon the use made by Sussman Realty of any Series A Debenture so surrendered except that, if Sussman Associates ceases to be a wholly owned subsidiary of Sussman Realty, Sussman Realty shall not be entitled to surrender any such Debentures for cancellation without receipt of valuable consideration therefor.

(b) Sussman Realty proposes to issue common share purchase warrants entitling the holders thereof to purchase on or before July 15, 1967 an aggregate of 150,000 common shares in the capital of Sussman Realty at a price of \$2.00 per share. The common share purchase warrants will expire at the close of business on July 15, 1967. The common share purchase warrants are to be issued under and pursuant to an Indenture (hereinafter referred to as the "Common Share Purchase Warrant Indenture") to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and Guaranty Trust Company of Canada, as Trustee. The Common Share Purchase Warrant Indenture will contain provisions for adjustment of the number of shares issuable pursuant to the privilege attaching to the common share purchase warrants in certain events, including a subdivision or consolidation of the common shares in the capital of Sussman Realty or in the event of any reorganization or reclassification of the share capital of Sussman Realty or the consolidation or merger of Sussman Realty with or into another corporation or the sale or transfer of its assets as a whole or substantially as a whole or in the event of the issue of any common shares of Sussman Realty for a consideration less than the subscription price in effect at the time of such issue. In addition, Sussman Realty will covenant in the Common Share Purchase Warrant Indenture to give at least thirty days public notice to holders of unexercised common share purchase warrants of the record date for payment of any stock dividend on its common shares and before issuing to its shareholders pro rata rights to subscribe for additional shares or making any repayment of capital on its common shares.

The \$1,000,000 aggregate principal amount of Series A Debentures of Sussman Associates when originally issued in definitive form will be accompanied by 100,000 of the 150,000 common share purchase warrants to be issued under and pursuant to the Common Share Purchase Warrant Indenture entitling the holders thereof to purchase common shares in the capital of Sussman Realty at the rate of 10 common shares in respect of each \$100 principal amount of said Series A Debentures.

(c) Sussman Realty has granted to Joseph Fruchter, Nathaniel Gotfrid, Louis Perlman, William Kagan and Michael Klein options to purchase on or before July 15, 1967 an aggregate of 50,000 common shares in the capital of Sussman Realty at a price of 50¢ per share as follows: Joseph Fruchter 12,500 common shares, Nathaniel Gotfrid 12,500 common shares, Louis Perlman 9,500 common shares, William Kagan 8,500 common shares, and Michael Klein 7,000 common shares. The foregoing persons are all full-time employees and directors and/or officers of Sussman Associates. The options provide that not more than 20% of the shares optioned to each of said persons may be exercised during the first year of the option, not more than an aggregate of 40% of the shares optioned may be exercised during the second year of the option, not more than an aggregate of 60% of the shares optioned may be exercised during the third year of the option and not more than an aggregate of 80% of the shares optioned may be exercised during the fourth year of the option. The options are non-assignable and will terminate on the cessation of employment of the optionees with Sussman Associates and/or Sussman Realty.

12. Sussman Realty proposes to issue 150,000 common shares without par value and 150,000 common share purchase warrants of which 100,000 common share purchase warrants will accompany the Series A Debentures of Sussman Associates on the basis set out in paragraph 11 of this statutory information. The said Series A Debentures of Sussman Associates, accompanied, when originally issued in definitive form, by said common share purchase warrants of Sussman Realty, and 100,000 of the said 150,000 common shares of Sussman Realty are offered by this prospectus in Units, each consisting of a Series A Debenture of Sussman Associates in the principal amount of \$100 and 10 common shares of Sussman Realty, at a price of \$105.50 per unit and accrued interest on the Series A Debenture.

The Series A Debentures of Sussman Associates will be convertible into common shares in the capital of Sussman Realty on the basis set out in paragraph 11 of this statutory information and Sussman Realty will issue common shares to the extent such right of conversion is exercised.

Sussman Realty also proposes to issue 125,000 preference shares and 600,000 common shares as set out in paragraph 21 & 22 of this statutory information.

13. The estimated net proceeds to be derived by Sussman Realty from the issue and sale of the 150,000 common shares and 150,000 common share purchase warrants on the basis of the same being fully taken up and paid for are \$82,500. The proceeds to Sussman Realty on the issue of its common shares upon exercise of the conversion right attaching to the Series A Debentures of Sussman Associates on the basis of all said Debentures being converted will be \$1,000,000 principal amount of said Debentures.

14. The net proceeds to Sussman Realty from the sale of the 150,000 common shares and 150,000 common share purchase warrants will be used to defray the cash portion of the purchase price of the shares of Sussman Associates and Sussman Quebec to be purchased by Sussman Realty, the details of which purchase are given in paragraph 21 & 22 of this statutory information.

15. As not less than all of the 150,000 common shares and 150,000 common share purchase warrants will be issued, no minimum amount in the opinion of the directors of Sussman Realty must be raised by the issue of the said common shares and common share purchase warrants to provide the sums required or the balance of the sums required to pay the purchase price of any property, to meet preliminary expenses or commissions payable by Sussman Realty, to repay moneys borrowed by Sussman Realty in respect of the foregoing matters or to repay bank loans.

16. By agreement dated July 25, 1962 and made between Sussman Realty, Sussman Associates, Annett & Company Limited, 220 Bay Street, Toronto, Ontario and First Canada Financial Corporation Limited, 11 Adelaide Street West, Toronto, Ontario, Annett & Company Limited and First Canada Financial Corporation Limited acting on their own respective behalfs as underwriters agreed, subject to the terms and conditions set out in the said agreement and compliance with the necessary legal formalities, (i) to purchase from Sussman Realty, and Sussman Realty agreed to sell to such underwriters, 150,000 common shares without par value in the

capital of Sussman Realty at a price of 50¢ per share and 150,000 common share purchase warrants of Sussman Realty at a price of 5¢ per warrant, and (ii) to purchase from Sussman Associates, and Sussman Associates agreed to sell to such underwriters, \$1,000,000 aggregate principal amount of Series A Debentures of Sussman Associates at a price of \$91.34 per \$100 principal amount thereof and accrued interest, the said purchase prices in each case being payable in cash against delivery of interim certificates representing the said 150,000 common shares and Series A Debentures in interim form on or about August 28, 1962. The said underwriters are participating equally in the purchase of the securities covered by the said agreement.

As stated in paragraph 12, the Series A Debentures of Sussman Associates when originally issued in definitive form will be accompanied by 100,000 common share purchase warrants of Sussman Realty. The said Series A Debentures of Sussman Associates and 100,000 of the said 150,000 common shares of Sussman Realty being purchased by the underwriters are being offered in Units of a Series A Debenture of Sussman Associates in the principal amount of \$100 and 10 common shares of Sussman Realty. The remaining 50,000 common shares of Sussman Realty and 50,000 common share purchase warrants of Sussman Realty being purchased by the underwriters pursuant to the aforesaid agreement are not being offered by the underwriters at this time. First Canada Financial Corporation Limited will effect sales of the Units only through the medium of duly registered security dealers.

By agreement dated July 25, 1962, Henry Bernard Sussman, subject to the purchase by the underwriters of the Series A Debentures of Sussman Associates, the 150,000 common shares in the capital of Sussman Realty and the 150,000 common share purchase warrants of Sussman Realty and subject to the completion of the transaction for the purchase by Sussman Realty from Henry Bernard Sussman of all of the issued and outstanding shares in the capital of Sussman Associates and Sussman Quebec, granted an option to First Canada Financial Corporation Limited to purchase 30,000 common shares in the capital of Sussman Realty to be owned by him at a price of \$3.00 per share and granted an option to Annett & Company Limited to purchase 20,000 common shares in the capital of Sussman Realty to be owned by him at a price of \$3.00 per share in each case exercisable in whole at any time or in part from time to time on or before July 15, 1967.

17. The by-laws of Sussman Realty contain the following provisions with respect to the remuneration of directors:

"The Directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or is Counsel or Solicitor to the Company or otherwise serves it in a professional capacity shall be in addition to his salary as such officer or to his professional fees, as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of the Company outside the work or services ordinarily required of a director of a company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred by attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required."

18. During the current financial year (the first financial year of Sussman Realty), it is estimated that no remuneration will be paid to directors of Sussman Realty as such. Certain of the officers of Sussman Realty are also officers of Sussman Associates. During the current financial year the remuneration to be paid to officers of Sussman Associates (including those who are also officers of Sussman Realty) who individually receive or may be entitled to receive remuneration in excess of \$10,000 is estimated at approximately \$125,000. Sussman Realty may defray a portion, as yet undetermined, of such remuneration.

19. No amount has been paid since the date of incorporation of Sussman Realty or is payable as a commission by Sussman Realty for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of Sussman Realty.

20. The estimated amount of preliminary expenses is \$1,500.

21. & 22. By agreement dated June 30, 1962, Sussman Realty agreed to purchase from Henry Bernard Sussman all of the issued and outstanding shares in the capital of Sussman Associates and all of the issued and outstanding shares in the capital of Sussman Quebec for a purchase price of \$650,000 to be satisfied by the payment of \$80,000 in cash and the issue to Henry Bernard Sussman of 125,000 preference shares and 600,000 common shares in the capital of Sussman Realty and a non-interest bearing note in the amount of \$170,000 payable within 30 days from the date of completion of the purchase by Sussman Realty of the said shares of Sussman Associates and Sussman Quebec. The net proceeds to Sussman Realty from the issue and sale of the 150,000 common shares and 150,000 common share purchase warrants will be used to defray the cash portion of the said purchase price. It is expected the non-interest bearing note will be retired from moneys to be received by Sussman Realty from a dividend in the amount of such note to be declared by Sussman Associates immediately following the acquisition by Sussman Realty of all the issued and outstanding shares of Sussman Associates.

Sussman Realty will acquire pursuant to the terms of the Conversion Indenture Series A Debentures of Sussman Associates which are surrendered for conversion. The right of conversion attaching to each Series A Debenture of Sussman Associates will be extinguished upon surrender of such Debenture to Sussman Realty but there will be no restriction upon the use made by Sussman Realty of any Series A Debenture of Sussman Associates so surrendered except as stated in paragraph 11 (a) of this statutory information.

23. Except as stated in paragraph 21 & 22, no securities of Sussman Realty have been issued or agreed to be issued as fully or partly paid up otherwise than in cash.

24. No obligations of Sussman Realty are being offered by this prospectus.

25. No services have been rendered or are to be rendered to Sussman Realty which are to be paid for by Sussman Realty wholly or partly out of the proceeds of the issue of the 150,000 common shares and 150,000 common share purchase warrants of Sussman Realty and no services have been rendered to Sussman Realty since the date of its incorporation which have been or are to be paid for by securities of Sussman Realty.

26. Since the date of its incorporation, Sussman Realty has not paid nor does it intend to pay any amount to any promoter.

27. Sussman Realty has not entered into any material contracts since the date of its incorporation except (i) the underwriting agreement referred to in paragraph 16 hereof,

- (ii) the agreement dated June 30, 1962 between Sussman Realty and Henry Bernard Sussman for the purchase by Sussman Realty of all the issued and outstanding shares of Sussman Associates and Sussman Quebec.
- (iii) agreement dated July 15, 1962 between Sussman Realty, Sussman Associates and Henry Bernard Sussman employing him as general manager of Sussman Realty and Sussman Associates for a period of five years.

Copies of the said agreements and, when executed, of the Trust Indenture pursuant to which the Series A Debentures of Sussman Associates will be issued, the Conversion Indenture and the Common Share Purchase Warrant Indenture may be inspected at the head office of Sussman Realty, 99 Avenue Road, Toronto, Ontario, during ordinary business hours during the course of primary distribution to the public of the securities offered by this prospectus.

28. Henry Bernard Sussman caused Sussman Realty to be incorporated and, as more particularly set out in paragraph 21 & 22, will be the vendor to Sussman Realty of all of the issued and outstanding shares of Sussman Associates and Sussman Quebec. Henry Bernard Sussman has agreed to sell, at a price of 50¢ per share, an aggregate of 76,350 of the common shares in the capital of Sussman Realty to be received by him to Joseph Fruchter, Nathaniel Gotfrid, William Kagan, Louis Perlman and Michael Klein as follows: to Joseph Fruchter 41,200 common shares; to Nathaniel Gotfrid 4,750 common shares; to William Kagan 11,000 common shares; to Louis Perlman 17,400 common shares; and to Michael Klein 2,000 common shares. Except as stated above, no director had any interest in the promotion of or in any property acquired by Sussman Realty since the date of its incorporation and no amount has been paid or agreed to be paid to any director to induce him to become a director of Sussman Realty. Sussman Realty does not propose to acquire any property in which any director has an interest except the shares of Sussman Associates and Sussman Quebec. Henry Bernard Sussman is a director and shareholder of Torcan Construction Co. Limited. In the event Sussman Associates requires the services on behalf of a client of a construction company, it is obligated to advise Torcan Construction Co. Limited in order that Torcan Construction Co. Limited may tender on the construction in question on a competitive basis.

29. Sussman Realty was incorporated on June 19, 1962 and has been carrying on business since that date. Sussman Associates has carried on business since January 1, 1959 and Sussman Quebec has carried on business since January 17, 1961.

30. Upon completion of the transaction for the purchase by Sussman Realty of all of the issued and outstanding shares in the capital of Sussman Associates and Sussman Quebec, Henry Benrnard Sussman will be in a position to elect or cause to be elected a majority of the directors of Sussman Realty.

31. By agreement dated July 25, 1962 and made between Henry Bernard Sussman, Joseph Fruchter, Nathaniel Gotfrid, William Kagan, Louis Perlman and Michael Klein (hereinafter collectively referred to as the "depositing shareholders"), Annett & Company Limited, First Canada Financial Corporation Limited and Guaranty Trust Company of Canada, the depositing shareholders agreed, forthwith upon the issue to Henry Bernard Sussman of the 600,000 common shares in the capital of Sussman Realty to be issued to him as part of the consideration for the purchase by Sussman Realty of all of the issued and outstanding shares in the capital of Sussman Associates and Sussman Quebec, to deposit share certificates representing the said 600,000 common shares in escrow with Guaranty Trust Company of Canada. The said agreement provides that 120,000 of the said common shares shall be released from escrow on July 15 in each of the years 1963 to 1967 inclusive; provided that in the event of the exercise of the option granted by Henry Bernard Sussman to Annett & Company Limited and First Canada Financial Corporation Limited the number of shares in respect of which said options are exercised will be released from escrow forthwith for delivery to Annett & Company Limited or First Canada Financial Corporation Limited, as the case may be. The said agreement also provides that the common shares deposited in escrow may be released from escrow on dates earlier than those above mentioned with the written approval of Annett & Company Limited, First Canada Financial Corporation Limited, the Ontario Securities Commission, the Quebec Securities Commission and any stock exchange on which said shares may at the time be listed. The said agreement also provides that the common shares deposited in escrow may be pledged as collateral for a loan upon deposit with the escrow agent of an undertaking of a Canadian chartered bank that the common shares so pledged will be redelivered to the escrow agent under the terms of the escrow agreement upon the said loan being repaid in full; provided that, until July 15, 1963, no common shares shall be delivered for such purpose without the written consent of the Ontario Securities Commission and the Quebec Securities Commission.

32. No dividends have been paid by Sussman Realty.

DATED this 3rd day of August, 1962.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Signed) H. B. SUSSMAN

(Signed) J. W. BLAIN

(Signed) JOSEPH FRUCHTER

(Signed) D. R. ANNETT

(Signed) NAT. GOTFRID

(Signed) E. A. GOODMAN

(Signed) M. GOLDHAR

Underwriters

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The

Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

ANNETT & COMPANY LIMITED

by:

(Signed) J. W. ANNETT

FIRST CANADA FINANCIAL CORPORATION LIMITED

by:

(Signed) MORTON GOLDHAR

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Annett & Company Limited: D. R. Annett; C. G. King; J. W. Annett; T. A. W. Duncan; and E. J. Allman.

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of First Canada Financial Corporation Limited: Maxwell Goldhar; Kenneth Kelman; Douglas Zimmerman; and Morton Goldhar.

H. B. SUSSMAN ASSOCIATES LIMITED

Statutory Information

1. The full name of the Company is H. B. Sussman Associates Limited (hereinafter referred to as "Sussman Associates") and the address of its head office is 99 Avenue Road, Toronto, Ontario.
2. Sussman Associates was incorporated as a private company under the laws of Ontario by letters patent dated December 11, 1958. Supplementary letters patent dated July 13, 1962 have been issued to Sussman Associates converting it to a public company.
3. The general nature of the business actually transacted or to be transacted by Sussman Associates is the purchase, sale, leasing and other development of real estate as a real estate agent.
4. The name in full, present occupation and home address of each of the directors and officers of Sussman Associates are as follows:

Chairman of the Board and Director	HENRY BERNARD SUSSMAN, Executive	150 Old Forest Hill Road, Toronto, Ontario.
President and Director	JOSEPH FRUCHTER, Executive	3 Glen Rush Boulevard, Toronto, Ontario.
Vice-President and Director	NATHANIEL GOTFRID, Executive	21 Mayfair Avenue, Toronto, Ontario.
Vice-President and Director	LOUIS PERLMAN, Executive	1603 Bathurst Street, Toronto, Ontario.
Director	DOUGLAS RUDYARD ANNETT, Investment Dealer	80 Glengrove Avenue West, Toronto, Ontario.
Director	MAXWELL GOLDHAR, Executive	124 Old Forest Hill Road, Toronto, Ontario.
Director	MICHAEL KLEIN, Executive	133 Regina Avenue, Toronto, Ontario.
Secretary and Treasurer	WILLIAM KAGAN, Executive	10 Elderwood Drive, Toronto, Ontario.

5. The auditors of Sussman Associates are Messrs. Wm. Eisenberg & Co., Chartered Accountants, 425 University Avenue, Toronto, Ontario.

6. The Canada Trust Company will be the Trustee under the Trust Indenture pursuant to which the \$1,000,000 aggregate principal amount of 7% Secured Sinking Fund Debentures Series A (hereinafter referred to as the "Series A Debentures") of Sussman Associates are to be issued and registers upon which coupon Series A Debentures may be registered as to principal and upon which fully registered Series A Debentures shall be registered as to principal and interest and upon which transfers of Series A Debentures so registered shall be recorded will be kept by The Canada Trust Company at its principal offices in the cities of Toronto and Montreal.

All of the shares in the capital of Sussman Associates are transferable at the head office of Sussman Associates.

7. The authorized capital of Sussman Associates consists of 30,000 preference shares with a par value of \$1.00 each and 10,000 common shares without par value. None of the preference shares have been issued and at the date hereof 102 common shares have been allotted and issued and are outstanding as fully paid and non-assessable.

8. No shares in the capital of Sussman Associates are offered by this prospectus.

9. There are no bonds, debentures or other securities of Sussman Associates outstanding which rank ahead of or pari passu with the Series A Debentures of Sussman Associates and Sussman Associates at this time does not propose to issue any bonds, debentures or other securities which, if issued, would rank ahead of or pari passu with the Series A Debentures.

10. No substantial indebtedness not shown in the pro forma balance sheet of Sussman Associates as at April 30, 1962 forming part of this prospectus is now intended to be created or assumed by Sussman Associates except obligations to be incurred in the ordinary course of the business and operations and on the general credit of Sussman Associates.

11. No securities of Sussman Associates are covered by outstanding options granted by Sussman Associates or proposed to be granted by it.

12. Sussman Associates proposes to issue \$1,000,000 aggregate principal amount of Series A Debentures. The Series A Debentures are to be direct obligations of Sussman Associates and are to be issued under and secured by a Trust Indenture (hereinafter referred to as the "Trust Indenture") to be dated as of July 15, 1962 and to be entered into between Sussman Associates, The Sussman Realty Corporation Limited (hereinafter referred to as "Sussman Realty") and The Canada Trust Company, as Trustee. The Series A Debentures and all other Debentures hereafter issued under the Trust Indenture will be secured by

(a) a first fixed and specific mortgage, pledge or charge of and upon

- (i) Eligible Receivables as to be defined in the Trust Indenture which have been delivered to the Trustee for the purpose of being mortgaged, pledged or charged under the Trust Indenture; and
- (ii) all moneys and Approved Securities as to be defined in the Trust Indenture from time to time on deposit with or held by and pledged with the Trustee;
- (iii) all right, title, interest and benefit of Sussman Associates in, to, under or in respect of all debts, accounts, claims, moneys and choses in action due or owing to Sussman Associates from affiliates and which have been incurred by such affiliates in connection with a pledge of Receivables (as to be defined in the Trust Indenture) by such affiliates to Sussman Associates; and
- (iv) all right, title, interest and benefit of Sussman Associates in, to, under or in respect of policies of life insurance on the life of Henry B. Sussman in the aggregate amount of \$250,000.

- (b) a first floating charge under the laws of the Province of Ontario upon all property and assets of Sussman Associates (except such thereof as have been effectively and validly subjected to the fixed and specific mortgage, pledge or charge of the Trust Indenture) and upon its undertaking.

The due and punctual payment of the principal of and premium, if any, and interest on the Series A Debentures will be unconditionally guaranteed by Sussman Realty. The performance by Sussman Realty of its guarantee of the due and punctual payment of the principal of and premium, if any, and interest on the Series A Debentures will be secured under the Trust Indenture by a first fixed and specific mortgage, pledge or charge of and upon all shares in the capital of Sussman Associates and H. B. Sussman Associates (Quebec) Limited (hereinafter referred to as "Sussman Quebec") now owned by Sussman Realty. The said first fixed and specific mortgage, pledge or charge to be created by Sussman Realty will be expressed to be applicable to all shares in the capital of Sussman Associates and Sussman Quebec acquired by Sussman Realty after the date of the Trust Indenture.

The proceeds from the sale of the Series A Debentures together with the sum of \$86,600 (being an aggregate of \$1,000,000) will be deposited with The Canada Trust Company, the Trustee under the Trust Indenture. The Trust Indenture will provide for the withdrawal by Sussman Associates of such moneys from the Trustee upon the mortgage, pledge or charge with the Trustee of Eligible Receivables upon which the balance owing to Sussman Associates at the time of deposit thereof with the Trustee is not less than 125% of the moneys to be withdrawn by Sussman Associates; provided that, where such Eligible Receivables are mortgaged, pledged or charged with the Trustee on the basis of a pledge thereof by an affiliate to Sussman Associates, the amount of moneys that may be withdrawn shall not exceed 80% of the balance owing to such affiliate upon such Eligible Receivables at the time of deposit thereof with the Trustee or 80% of the amount of the indebtedness of such affiliate to Sussman Associates secured thereby at the time of deposit, whichever is the lesser.

The Series A Debentures will be redeemable prior to maturity in whole at any time or in part from time to time at the option of Sussman Associates on not less than thirty days prior notice at the principal amount thereof plus accrued interest to the date specified for redemption plus a premium of 6% of such principal amount to and including July 15, 1963, thereafter such premium to decrease progressively 1.5% on July 16, 1963 and on each succeeding July 16 to and including July 16, 1966, on and after which date the Series A Debentures will be redeemable without premium.

Sussman Associates will covenant in the Trust Indenture to establish a sinking fund for the Series A Debentures by paying to the Trustee an amount sufficient to retire \$200,000 principal amount of Series A Debentures on July 15 in each of the years 1963 to 1966, inclusive. Series A Debentures will be redeemable out of sinking fund moneys at the principal amount thereof together with accrued interest to the date specified for redemption. Sussman Associates will have the right to purchase Series A Debentures in the market or by private contract at prices not exceeding the redemption price in effect at the time of purchase in respect of Series A Debentures if redeemed otherwise than out of sinking fund moneys, plus accrued interest and costs of purchase. All Series A Debentures purchased or redeemed, except Series A Debentures purchased or redeemed out of sinking fund moneys, shall, notwithstanding the cancellation thereof, be available to Sussman Associates as a sinking fund credit which, at the election of Sussman Associates, may be applied, to the extent not theretofore applied, in satisfaction in whole or in part of required sinking fund payments payable thereafter. Sussman Associates will be entitled to direct the Trustee to apply any moneys held by the Trustee in satisfaction or in part satisfaction of any sinking fund payment under the Trust Indenture. Series A Debentures purchased or redeemed are to be cancelled and not re-issued.

The Trust Indenture is to contain provisions permitting the issuance (subject as hereinafter provided) from time to time of additional Debentures (herein referred to as "additional Debentures") thereunder without limitation as to aggregate principal amount, which additional Debentures will rank equally and rateably with the Series A Debentures save only as to sinking fund provisions applicable to different issues and the principal of and premium, if any, and interest on such additional Debenture may be payable in such currency or currencies as may be determined by Sussman Associates at the time of the issue thereof.

The Trust Indenture is to contain covenants of Sussman Associates, among others, substantially to the following effect:

- (a) The aggregate amount of

- (i) the principal amount of indebtedness owing to Sussman Associates and/or an affiliate upon Eligible Receivables at the time specifically mortgaged, pledged or charged under the Trust Indenture after deducting therefrom an amount equal to the amount of delinquent accounts included therein and any Repledge Deficiency (as to be defined in the Trust Indenture) applicable thereto, plus

- (ii) 125% of (x) the amount of any cash, plus (y) the market value of Approved Securities, which cash and Approved Securities are at such time physically held by and pledged with the Trustee as part of the specifically mortgaged premises,

will not at any time be less than 125% of the aggregate principal amount of all Debentures at the time outstanding.

(b) Sussman Associates will not at any time issue any additional Debentures under the Trust Indenture except to the extent (i) that immediately after giving effect to the issue of such additional Debentures the covenant referred to in (a) above will be complied with and (ii) that the Consolidated Net Earnings Available for Interest for any twelve consecutive months out of the eighteen consecutive calendar months next preceding the issue of such additional Debentures shall have been equal to at least two times the aggregate annual interest requirements of all the Debentures then outstanding under the Trust Indenture and such additional Debentures.

(c) Sussman Associates will not issue, sell or otherwise dispose of any shares of any class in its capital except to Sussman Realty.

(d) The method of specifically mortgaging, pledging or charging Eligible Receivables acquired by affiliates will be such method as will, in the opinion of counsel, duly and validly subject the same to the first fixed and specific lien and charge of the Trust Indenture to the same extent as if such Eligible Receivables were the property of Sussman Associates delivered and pledged under the Trust Indenture and that, in the case of any such Eligible Receivables where the right of Sussman Associates to pledge the same under the Trust Indenture is based upon the pledge thereof to Sussman Associates by an affiliate, such repledge will be expressly authorized in writing by the affiliate.

The Trust Indenture will contain definitions, among others, substantially to the following effect:

- (a) "Receivables" means all debts, accounts, claims, moneys and choses in action due or owing to or owned by Sussman Associates or assigned, transferred, pledged or charged to Sussman Associates by an affiliate

and representing indebtedness owing to Sussman Associates or such affiliate which is payable not later than July 15, 1967 and arising in the ordinary course of business of Sussman Associates or such affiliate excluding all debts, accounts, claims, moneys and choses in action representing indebtedness of any affiliate to Sussman Associates.

- (b) "Annett Designating Person" means the person or any one of the persons appointed by Annett & Company Limited by written instrument under its corporate seal and approved by Sussman Associates and the Trustee for the purpose of designating Receivables as Eligible Receivables.
- (c) "First Canada Designating Person" means the person or any one of the persons appointed by First Canada Financial Corporation Limited by written instrument under its corporate seal and approved by Sussman Associates and the Trustee for the purpose of designating Receivables as Eligible Receivables.
- (d) "Restricted Receivables" means Receivables representing indebtedness owing to Sussman Associates or an affiliate by any corporation which is not an Approved Corporation and which is represented by a bill, note or other negotiable instrument.
- (e) "Limited Receivables" means Receivables representing indebtedness owing to Sussman Associates or an affiliate by any corporation which is not an Approved Corporation and which is not represented by a bill, note or other negotiable instrument.
- (f) "Approved Corporation" means Towers Marts and Properties Limited and any corporation having a combined capital and surplus account of not less than \$8,000,000 and whose average annual net profit for its last four completed fiscal years shall have been not less than \$800,000.
- (g) "Eligible Receivables" means Receivables which have been designated by the Annett Designating Person and the First Canada Designating Person as eligible to be mortgaged, pledged or charged with the Trustee as part of the specifically mortgaged premises under the Trust Indenture, provided that the following Receivables shall not constitute Eligible Receivables notwithstanding any designation thereof as aforesaid (i) Restricted Receivables representing indebtedness owing by any one person, firm or corporation to the extent of the excess of the aggregate indebtedness of said person, firm or corporation on all Restricted Receivables of such person, firm or corporation at the time specifically mortgaged, pledged or charged under the Trust Indenture over 30% of the principal amount of Debentures outstanding at the time of the deposit of any Restricted Receivables of such person, firm or corporation under the Trust Indenture, and (ii) Limited Receivables except to the extent that such Limited Receivables have a fixed maturity date and the obligor on such Limited Receivables shall have acknowledged to the Trustee at or before the time of the mortgage, pledge or charge thereof to the Trustee the amount owing thereon and the terms of payment thereof, and (iii) Limited Receivables representing indebtedness owing by any one person, firm or corporation to the extent of the excess of the aggregate indebtedness of said person, firm or corporation on all Limited Receivables of such person, firm or corporation at the time specifically mortgaged, pledged or charged under the Trust Indenture over 7½% of the principal amount of Debentures outstanding at the time of the deposit of any Limited Receivables of such person, firm or corporation under the Trust Indenture.
- (h) "affiliate" means Sussman Quebec and any other person directly or indirectly controlling, controlled by or under direct or indirect common control with Sussman Associates, whether through ownership of voting securities, by contract or otherwise.
- (i) "Repledge Deficiency" means, in respect of Eligible Receivables mortgaged, pledged or charged under the Trust Indenture by Sussman Associates and which Eligible Receivables have been pledged to Sussman Associates by an affiliate, the excess of the indebtedness owing to such affiliate on such Eligible Receivables over the amount of the indebtedness of such affiliate to Sussman Associates secured thereby.
- (j) "delinquent accounts" means the full unpaid amount of Receivables on which any instalment of principal or interest is 30 days or more overdue.
- (k) "Approved Securities" means any investment in which insurance companies by the Canadian and British Insurance Companies Act are authorized to invest without resorting to the provisions of subsection (4) of Section 63 of said Act, provided that such investments shall be limited to bonds, debentures, notes or other evidences of indebtedness bearing a fixed rate of interest and maturing within one year from the date of purchase thereof.
- (l) "net earnings" of Sussman Associates or any subsidiary for any specified period means the income of Sussman Associates or of any such subsidiary for such period from all sources computed in accordance with generally accepted accounting practice after charging or making provision acceptable to the auditors of Sussman Associates for (i) interest on funded obligations, (ii) amortization of discount and expenses in respect of funded obligations, (iii) taxes on income or profits computed on the basis of amounts actually charged in the books of account against earnings for depreciation on depreciable properties, plant and equipment whether or not the same amounts are charged in the determination of income tax or profit taxes payable, (iv) depreciation on depreciable properties, plant and equipment computed on the basis of amounts actually charged therefor in the books of account, (v) all other expenses of operation and (vi) minority interest in earnings of any subsidiary.
- (m) "Net Earnings Available for Interest" for any specified period of twelve months of Sussman Associates or any subsidiary means the net earnings for such period of Sussman Associates or such subsidiary (but excluding from the computation thereof any gains or losses on the sale, disposal or revaluation of capital assets or investments) after adding back the following amounts deducted in the computation of net earnings (i) interest on Debentures issued under the Trust Indenture, (ii) amortization of discount and expenses in respect of Debentures issued under the Trust Indenture, and (iii) taxes on income or profits.

If Sussman Associates or any subsidiary shall have acquired, within or after the period for which Net Earnings Available for Interest is being determined, or will acquire in connection with the issuance of additional Debentures in respect of which the computation is being made, properties (including without limitation shares and securities) which, within six months prior to such acquisition, were used or operated in a business similar to that in which they are or are to be used or operated by Sussman Associates or

such subsidiary, then in computing Net Earnings Available for Interest the net earnings of such properties for the whole of such period may be included as if such properties had been owned by Sussman Associates or such subsidiary during the whole of such period.

- (n) "Consolidated Net Earnings Available for Interest" means the aggregate of all Net Earnings Available for Interest of Sussman Associates and its subsidiaries arrived at on a consolidated basis in accordance with generally accepted accounting practice.
- (o) "funded obligations" means and includes any indebtedness the due date of payment of the principal amount of which is eighteen months or more after the date of the creation, issue or incurring thereof and any liability (contingent or otherwise) in respect of any guarantee by Sussman Associates and/or any subsidiary of such indebtedness of any person, firm or corporation other than Sussman Associates or a subsidiary.

Pursuant to the terms of an Indenture (hereinafter referred to as the "Conversion Indenture") to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and The Canada Trust Company, as Trustee, Sussman Realty will covenant and agree that each of the \$1,000,000 aggregate principal amount of Series A Debentures will be convertible at the holder's option at any time up to the close of business on the day immediately preceding the maturity date or on the fifth day immediately preceding the date specified for redemption of any such Debenture, whichever is the earlier, into fully paid and non-assessable common shares without par value in the capital of Sussman Realty (without adjustment for interest accrued on such Debenture or for dividends on common shares issuable upon conversion) at a price of \$3.00 per share if such conversion takes place on or before July 15, 1965, at a price of \$4.00 per share if such conversion takes place after July 15, 1965 and on or before July 15, 1966, and at a price of \$5.00 per share if such conversion takes place after July 15, 1966 and on or before July 14, 1967.

The Conversion Indenture will contain provisions for adjustment of the conversion privilege in the event of any subdivision or consolidation of the outstanding common shares of Sussman Realty. Provision will also be made in the Conversion Indenture to protect the right of conversion in the event of any reorganization or reclassification of the share capital of Sussman Realty or the consolidation or merger of Sussman Realty with or into another corporation or the sale or transfer of the assets of Sussman Realty as a whole or substantially as a whole or in the event of the issue of common shares at a price less than the conversion price in effect at the time of such issue. The Conversion Indenture will provide that no fraction of a common share will be deliverable upon conversion of any Series A Debenture of Sussman Associates and that Sussman Realty will adjust all fractions arising upon conversion by paying to the holder of the Debenture being surrendered for conversion an amount in cash computed in the manner to be set out in the Conversion Indenture. Sussman Realty will covenant in the Conversion Indenture that it will at all times reserve sufficient of its unissued common shares to satisfy the exercise of the right of conversion attaching to the Series A Debentures of Sussman Associates. Series A Debentures of Sussman Associates which are converted into common shares of Sussman Realty will not thereby be cancelled, but shall be surrendered to and become the property of Sussman Realty. The right of conversion attaching to each Series A Debenture of Sussman Associates will be extinguished upon surrender of such Debenture to Sussman Realty but there will be no restriction upon the use made by Sussman Realty of any Series A Debenture so surrendered except that, if Sussman Associates ceases to be a wholly owned subsidiary of Sussman Realty, Sussman Realty shall not be entitled to surrender any such Debentures for cancellation without receipt of valuable consideration therefor.

The Series A Debentures of Sussman Associates when originally issued in definitive form will be accompanied by 100,000 of the 150,000 common share purchase warrants of Sussman Realty to be issued under and pursuant to an Indenture (hereinafter referred to as the "Common Share Purchase Warrant Indenture") to be dated as of July 15, 1962 and to be made between Sussman Realty, Sussman Associates and Guaranty Trust Company of Canada entitling the holders thereof to purchase common shares in the capital of Sussman Realty at any time on or before the close of business on July 15, 1967 at a price of \$2.00 per share at the rate of 10 common shares in respect of each \$100 principal amount of said Series A Debentures.

The Series A Debentures of Sussman Associates accompanied, when originally issued in definitive form, by common share purchase warrants of Sussman Realty together with 100,000 common shares without par value in the capital of Sussman Realty are offered by this prospectus in Units each consisting of a Series A Debenture in the principal amount of \$100 and 10 common shares of Sussman Realty at a price of \$105.50 per unit and accrued interest on the Series A Debenture.

No securities of Sussman Associates have been offered for public subscription within the two years preceding the date of this prospectus.

13. The estimated net proceeds to be derived by Sussman Associates from the sale of the Series A Debentures on the basis of the same being fully taken up and paid for are \$913,400 without taking into account legal, auditing, printing and other miscellaneous expenses to Sussman Associates in connection with the issue thereof, which expenses are estimated at approximately \$35,000.

14. As stated in paragraph 12, the proceeds from the sale of the Series A Debentures, together with an additional sum of \$86,600, will be initially deposited with The Canada Trust Company and may be withdrawn only on the basis set out in said paragraph 12. Moneys so withdrawn from The Canada Trust Company will be used in the business of Sussman Associates of purchasing, selling, leasing and developing real estate as a real estate agent. It is proposed that a wholly-owned subsidiary of Sussman Associates will be incorporated for the purpose of acting as principal in the purchase of income producing real estate properties and, if such wholly-owned subsidiary is incorporated, moneys so withdrawn from The Canada Trust Company may be used by Sussman Associates to finance the operations of such wholly-owned subsidiary.

15. By agreement dated July 25, 1962 and made between Sussman Realty, Sussman Associates, Annett & Company Limited, 220 Bay Street, Toronto, Ontario and First Canada Financial Corporation Limited, 11 Adelaide Street West, Toronto, Ontario, Annett & Company Limited and First Canada Financial Corporation Limited acting on their own respective behalfs as underwriters agreed, subject to the terms and conditions set out in the said agreement and compliance with the necessary legal formalities, (i) to purchase from Sussman Realty, and Sussman Realty agreed to sell to such underwriters, 150,000 common shares without par value in the capital of Sussman Realty at a price of 50¢ per share and 150,000 common share purchase warrants of Sussman Realty at a price of 5¢ per warrant, and (ii) to purchase from Sussman Associates, and Sussman Associates agreed to sell to such underwriters, \$1,000,000 aggregate principal amount of Series A Debentures of

Sussman Associates at a price of \$91.34 per \$100 principal amount thereof and accrued interest, the said purchase prices in each case being payable in cash against delivery of interim certificates representing the said 150,000 common shares and Series A Debentures in interim form on or about August 28, 1962. The said underwriters are participating equally in the purchase of the securities covered by the said agreement.

As stated in paragraph 12, the Series A Debentures of Sussman Associates when originally issued in definitive form will be accompanied by 100,000 common share purchase warrants of Sussman Realty. The said Series A Debentures of Sussman Associates and 100,000 of the said 150,000 common shares of Sussman Realty being purchased by the underwriters are being offered in Units of a Series A Debenture of Sussman Associates in the principal amount of \$100 and 10 common shares of Sussman Realty. The remaining 50,000 common shares of Sussman Realty and 50,000 common share purchase warrants of Sussman Realty being purchased by the underwriters pursuant to the aforesaid agreement are not being offered by the underwriters at this time. First Canada Financial Corporation Limited will effect sales of the Units only through the medium of duly registered security dealers.

16. The by-laws of Sussman Associates contain the following provisions with respect to the remuneration of directors:

"The Directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is Counsel or solicitor to the Company or otherwise serves it in a professional capacity shall be in addition to his salary as such officer or to his professional fees, as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of the Company outside the work or services ordinarily required of a director of a Company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required."

17. The aggregate remuneration paid by Sussman Associates during its last financial year to directors as such was nil and to those officers who individually received remuneration in excess of \$10,000 per annum was \$89,955. The aggregate remuneration for the current financial year to be paid to directors of Sussman Associates as such is estimated to be nil and to be paid to officers who individually receive or may be entitled to receive remuneration in excess of \$10,000 for the current financial year is estimated at approximately \$125,000. Sussman Realty may defer a portion, as yet undetermined, of such remuneration in respect of its officers who are also officers of Sussman Associates.

18. No amount has been paid by Sussman Associates within the two years preceding the date hereof or is payable by Sussman Associates as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of Sussman Associates. Reference is made to paragraph 15 for the price at which the Series A Debentures are being sold by Sussman Associates.

19. Sussman Associates has not purchased or acquired any property the purchase price of which is to be defrayed in whole or in part out of the proceeds of the Series A Debentures or which has been paid within the two preceding years or is to be paid for in whole or in part in securities of Sussman Associates and there is no purchase or acquisition which has not been completed at the date of this prospectus other than transactions entered into by Sussman Associates in the ordinary course of its operations or on the general credit of Sussman Associates. As stated in paragraph 14 of this statutory information, part of the proceeds of the Series A Debentures may be used in the purchase of income producing real estate properties. No arrangements have been made at the date hereof for the purchase of any such properties.

20. No securities of Sussman Associates have been issued or agreed to be issued as fully or partly paid up otherwise than in cash.

21. No services have been rendered or are to be rendered to Sussman Associates which are to be paid for out of the proceeds of the issue of the Series A Debentures except services rendered to Sussman Associates in the ordinary course of its business and legal, auditing and other services in connection with the issue of the Series A Debentures. No services have been rendered to Sussman Associates within the two years preceding the date hereof which have been or are to be paid for by securities of Sussman Associates.

22. Sussman Associates has not paid and does not intend to pay any amount to any promoter.

23. Other than contracts entered into in the ordinary course of its business, Sussman Associates has not entered into any material contracts within the two years preceding the date hereof except

- (i) the underwriting agreement referred to in paragraph 15;
- (ii) exclusive Agency Agreement dated 19th day of July, 1961, between Sussman Associates, Towers Marts, Inc., Towers Properties, Inc., and Towers Marts of Canada Limited, granting to Sussman Associates the exclusive authority to act as agents on behalf of Towers Marts, Inc. and all of its subsidiaries and affiliates in all real estate transactions in the Dominion of Canada until December 31st, 1962;
- (iii) exclusive Agency Agreement dated the 15th day of May, 1962, between Sussman Associates and Ontario Cleaning Carousels Limited, granting to Sussman Associates the exclusive agency to arrange for all stores required by Ontario Cleaning Carousels Limited and its affiliates in connection with its coin-operated dry cleaning business in the Province of Ontario;
- (iv) agreement dated the 25th day of January, 1962, between Sussman Associates and Consolidated Building Corporation providing for the development of certain lands near Victoria, British Columbia, by the two companies jointly;
- (v) agreement dated July 15, 1962 between Sussman Realty, Sussman Associates and Henry Bernard Sussman employing him as general manager of Sussman Associates and Sussman Realty for a period of five years.

Copies of the said contracts and, when executed, of the Trust Indenture, the Conversion Indenture and the Common Share Purchase Warrant Indenture may be inspected at the head office of Sussman Associates, 99 Avenue Road, Toronto, Ontario, during ordinary business hours during the course of primary distribution to the public of the securities offered by this prospectus.

24. At the present time Sussman Associates does not propose to acquire any property in which any director is interested. Henry Bernard Sussman has agreed to purchase certain long term accounts receivable of Sussman Associates at their face value of \$194,738. Henry Bernard Sussman is a director and shareholder of Torcan Construction Co. Limited. In the event Sussman Associates requires the services on behalf of a client of a construction company, it is obligated to advise Torcan Construction Co. Limited in order that Torcan Construction Co. Limited may tender on the construction in question on a competitive basis. Sussman Associates is the owner of 50% of the issued and outstanding shares in the capital of Perdi Insurance and Management Corporation Limited. The remaining 50% of the issued and outstanding shares in the capital of this company are owned by Louis Perlman, a director and officer of Sussman Associates.

25. Sussman Associates has been carrying on business for more than three years and has not acquired and does not propose to acquire at this time a business that has been carried on for less than three years.

26. Sussman Realty by agreement date June 30, 1962 has agreed to purchase all of the issued and outstanding shares in the capital of Sussman Associates from Mr. Henry Bernard Sussman and upon completion of such purchase Sussman Realty, will, by reason of beneficial ownership of securities of Sussman Associates, be in a position to elect or cause to be elected a majority of the directors of Sussman Associates. Mr. Henry Bernard Sussman, upon completion of the said purchase, will, by reason of beneficial ownership of securities of Sussman Realty, be in a position to elect or cause to be elected a majority of the directors of Sussman Realty.

27. No securities of Sussman Associates are held in escrow.

DATED this 3rd day of August, 1962.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Signed) H. B. SUSSMAN

(Signed) L. PERLMAN

(Signed) JOSEPH FRUCHTER

(Signed) M. GOLDHAR

(Signed) NAT. GOTFRID

(Signed) D. R. ANNETT

(Signed) M. KLEIN

Underwriters

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

ANNETT & COMPANY LIMITED

by:

(Signed) J. W. ANNETT

FIRST CANADA FINANCIAL CORPORATION LIMITED

by:

(Signed) MORTON GOLDHAR

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Annett & Company Limited: D. R. Annett; C. G. King; J. W. Annett; T. A. W. Duncan; and E. J. Allman.

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of First Canada Financial Corporation Limited: Maxwell Goldhar; Kenneth Kelman; Douglas Zimmerman; and Morton Goldhar.

